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# NATO Fails to Allay Russian Fears of Pact's Expansion

BRUSSELS — NATO foreign ministers tried Friday without success to reassure Russia that the alliance's plans to admit former Warsaw Pact countries would not create a new division in Europe.

The Russian foreign minister, Andrei V. Kozyrev, surprised the ministers Thursday by criticizing the plans and announcing Russia's withdrawal from a program to improve military and political cooperation between Moscow and the North Atlantic Treaty Organization.

On Friday, Mr. Kozyrev told the NATO and East European foreign ministers that Moscow could not develop close ties with the alliance until it spelled out its expansion plans, sources said.

Mr. Kozyrev, they said, questioned whether the Western military alliance had changed from its Cold War days.

The NATO secretary-general, Willy Claes, said Friday the alliance would not change its

plans to prepare an eastward expansion of the alliance in the light of Russian objections.

"We are not ready to change one single word or NATO's decision," Mr. Claes said at a news conference, referring to the alliance announcement Thursday that it would make a one-year internal study of the mechanics of enlarging NATO to East European countries.

Mr. Claes said he was confident that Russia would reach an agreement with the alliance to go ahead with these plans.

Secretary of State Warren M. Christopher met separately with Mr. Kozyrev for more than an hour Friday to discuss the dispute and the situation in Bosnia.

"We shouldn't make too much of yesterday's events," Mr. Christopher said in a television interview. He said the Russians "will have a chance to analyze what we did." He added, "I think they'll find it to be responsible and deliberate."

Foreign Minister Klaus Kinkel of Germany said he regretted the incident with Mr. Kozyrev,

which he said had to be viewed in the context of Russia's domestic political situation.

The British foreign secretary, Douglas Hurd, also played down the dispute, saying, "I think the partnership between Russia and NATO is too important for Russia and too important for NATO to get lost."

Poland's foreign minister, Andrzej Olechowski, said he saw no reason for involving Russia in his country's application to join NATO.

"We don't think it would be sensible or fruitful to negotiate with Russia about NATO," he said. "Russia is not a member of NATO."

Mr. Kozyrev's comments cast a pall over the meeting Thursday and over NATO's attempt to draw its former Warsaw Pact enemies into the alliance. Some diplomats suggested he was playing to an audience in Russia, where the government is contending with a strong nationalist opposition.

Mr. Olechowski said the foreign ministers

would "explain everything to the Russians," that membership plans "aren't against them."

Poland, Hungary, the Czech Republic and others have repeatedly requested NATO membership and the security guarantees that go with it.

The NATO allies, in trying to meet East Europeans' demands for membership without upsetting Russia, thought they had found a good formula.

At a summit meeting in January, President Bill Clinton and other allied leaders approved a U.S. initiative, Partnership for Peace, to bring former foes closer, but without membership.

A total of 23 nations have enrolled in the project, which allows them to take part in military exercises and other alliance activities.

In an effort to ease Russian fears about its eastward expansion, the NATO allies had agreed to a special relationship with Moscow and insisted they had no intention of forming a hostile bloc. But Mr. Kozyrev was not impressed.

(AP, Reuters)

## WORLD BRIEFS

### IRA Ready to Talk on Weaponry

LONDON (AP) — The IRA expects negotiations about weapons with the British to include security force arms as well as its own hidden arsenal, the movement's political allies signaled Friday.

"We're prepared, perfectly prepared, to discuss the issue of the amount of weapons that are in circulation in Ireland, both legal and illegal," Mitchell McLoughlin, a spokesman for Sinn Féin, said on BBC radio.

Britain and Sinn Féin are to start talks in Belfast on Wednesday, the next big step in the search for a political settlement in Northern Ireland following the 3-month-old cease-fire by the Irish Republican Army in its battle to end British rule.

### Ariane Carrying U.S. Satellite Fails

KOUROU, French Guiana (Reuters) — Western Europe's 70th Ariane rocket sent a U.S. communications satellite worth more than \$150 million plunging into the Atlantic Ocean after its third stage malfunctioned.

It was the second Ariane rocket failure this year and the seventh since Western Europe began launching the Ariane series in 1979.

The ArianeSpace president, Charles Bigot, said, "The third stage of flight 70 did not function correctly, the motor ignited but after ignition the motor only partially functioned." The failure sent the PanAmSat-3 (PAS-3) plunging into the Atlantic Ocean late Thursday.

The measure, which is virtually certain to become law, would bar any refugees who had traveled through so-called "safe third countries." It is estimated that a total 55,000 refugees will seek asylum in the Netherlands in 1994.

The flood has severely strained government resources in this country of 15 million people, contributing to a rightist resurgence in national elections in May.

### Austrians Find Tank and Arms Cache

VIENNA (Reuters) — Austrian anti-terrorist police seized a tank and an armored personnel carrier in a major arms find in raids on homes of suspected neo-Nazis, Austrian radio reported on Friday.

The discovery was made a year after rightist extremists launched a series of letter bombs against public figures.

A police team uncovered a World War II era T-34 tank and a modern personnel carrier in a search of a farm in the village of Göpfritz an der Wild, northwest of Vienna. The village lies on the edge of a big military training area, near the Czech border.

Austrian radio said both vehicles were reported to be in good working order. The police also seized a huge cache of military explosives and automatic rifles. The radio said two men, including the owner of the farm, had been arrested.

### 3 Slain at Home of Pakistan Minister

KARACHI, Pakistan (AP) — Unidentified gunmen opened fire Friday night outside the house of the minister of industries and labor, killing three people, the police said. The minister, Ghulam Akbar Lasi, was not at home at the time of the attack.

Mr. Lasi's bodyguard, his driver and another man believed to be working for the minister were killed when the gunmen drove up in a car and fired automatic weapons. The police said they did not know the motive for the attack or who was responsible.

On Tuesday, gunmen entered an office of the governing Pakistan People's Party in Karachi and killed four people. The police have blamed many of the politically motivated attacks on the Muhajir National Movement, an opposition group.

### For the Record

A former SS concentration camp commander, Josef Schwammberger, 82, who is serving a life term for killing 650 Jewish slave laborers, was indicted Friday on 144 new charges of murder and abetting murder in Stuttgart. The new indictment stemmed from evidence that surfaced during his earlier trial but could not be introduced because it was not included in the request for his 1990 extradition from Argentina, where he fled in 1948.

Fifty-two Kurdish rebels were killed as the Turkish Army pressed its crackdown on rebel bases in the mountains of the southeast, it was reported in Diyarbakir on Friday.

Roman Catholic authorities have reached an out of court settlement in Dublin with a man who was sexually molested by a priest when he was an altar boy, news reports said Friday. The Connacht Tribune, published in Galway, Ireland, said the settlement was more than 75,000 Irish pounds (\$107,250).

### Correction

Because of an editing error, an article on the Taiwan elections in Friday's editions incorrectly identified Taiwan's main opposition party. It is the Democratic Progressive Party.

## TRAVEL UPDATE

### Volume Declines on Baltic Ferries

HELSINKI (Reuters) — Shipping lines running the huge car ferries in the Baltic reported a huge decline in the number of passengers since the ferry Estonia went down with the loss of 900 lives in September. A survey in the daily Helsinki Sanomat showed Friday.

Boris Elman, managing director of Viking Line, which runs six passenger ferries in the Baltic, said the disaster would affect passenger volumes into next year. Shipping lines, mainly Finnish-based, estimated an aggregate shortfall of 150,000 to 160,000 in the number of passengers during November.

Spanish engineers striking for higher pay forced the state-run railroad to cancel at least half the trains on most routes Friday in the first of several walkouts planned for December.

Angola's TAAG airlines will resume commercial flights on Tuesday to Huambo, the country's second city and former UNITA rebel stronghold retaken by government forces last month, the company said.

Philippine Airlines unions have threatened to go on strike if the carrier and its partner, the government, failed to address grievances. The pilots' union said the management had imposed "harsh working conditions," including longer flight times.

A 30-story extension to Hong Kong's Peninsula Hotel was officially opened by the Duke and Duchess of Kent.

A U.S. judge in Atlanta has given final approval to distribute about \$400 million worth of discount coupons awarded last year in a class-action settlement with major airlines. The coupons will be mailed to about 4.3 million claimants.

## Russia Is Accused by Its Own Mediators See Moscow's Hand in Chechen Raids

GROZNY, Chechnya — Russian legislators trying to end a standoff in Chechnya accused their government on Friday of sending warplanes to attack the secessionist republic.

President Boris N. Yeltsin's government has denied providing military support to rebels trying to remove President Dzhokhar Dudayev of Chechnya, even as the rebel offensive has escalated from small-arms fire to air attacks.

The Russian defense minister, General Pavel S. Grachev, says Russian mercenaries are fighting on both sides in Chechnya.

But Mr. Dudayev, who declared independence for his tiny republic in 1991, accuses Moscow of leading and arming the rebels.

Air raids on the outskirts of Grozny, the Chechen capital, continued for a fourth day Friday.

"It is clear that these planes are not English or French but Russian," said Ella Pamfilova, Mr. Yeltsin's former social welfare minister and one of four members of a parliamentary delegation to Chechnya. "This is against the law."

Other members of the delegation, which met briefly with Mr. Dudayev, demanded an end to the air strikes, warning that the conflict could spiral out of control.

The lawmakers were trying to negotiate the release of about 70 Russians, said to include

soldiers and officers, captured in the fighting in Chechnya.

Since the rebels' air offensive began last week, thousands of people have fled Grozny, a city of 300,000.

Chechen officials said there were new air raids early Friday east of Grozny. Mr. Dudayev said his home was bombed Thursday, but that claim could not be verified.

Moscow does not recognize the independence of Chechnya, which became part of the Russian empire in the 19th century after a series of wars.

Mr. Yeltsin threatened Tuesday to send in troops unless the fighting had stopped by Thursday, but when the deadline expired he said that Chechen fighters would be given amnesty if they put down their weapons by Dec. 15.

There were reports, however, of Russian troop buildups near the border.

Although Russian ultranationalists lament the loss of Moscow's empire, a recent opinion poll showed that most Russians are ready to let the Chechens go their own way.

"Chauvinist forces in Russian are pushing President Yeltsin to act, saying he cannot control 'little Chechnya,'" said Vladimir Lyzenko, a member of the parliamentary delegation.

Mr. Lyzenko warned that the conflict was endangering the lives of as many as 150,000 ethnic Russians in Chechnya.



A Chechen woman, holding an automatic rifle, joined protesters on Friday in Grozny's central square. The placard reads, "Chechen mothers demand an end to the bloodshed."

## Swiss Ballot: Jail Unwanted Aliens?

GENEVA — An immigration measure that would empower Swiss authorities to imprison unwanted migrants for up to a year is very likely to win approval in a nationwide referendum this weekend, opinion polls indicate.

The legislation ostensibly aims at curbing so-called drug tourism, which has turned traditional bastions of rectitude like Zurich into a mecca for narcotics dealers and addicts who come from all over Europe.

But church groups, human-rights groups and politicians on the left say that the drug problem is being used as a pretext to keep out immigrants in general. They accuse the government of playing to the xenophobia of

people who have voted in the past against Switzerland's association with Europe or the creation of a Swiss contingent for UN peace-keeping operations.

Opponents of the measure predict it will be approved by a 6 to 4 ratio, with the Swiss German majority again outvoting the more-liberal French speakers.

The bill, proposed by the federal minister of justice and police, Arnold Koller, would allow the detention of migrants or asylum-seekers who do not have adequate identity documents. They could be held for a period of three months, extendable to one year if it takes that long to carry out their repatriation.

## Quebec Separatist Loses Leg to Bacteria

By Charles Trueheart

Washington Post Service

OTTAWA — Quebec and much of the rest of Canada collectively breathed a sigh of relief on Friday after a tense night during which the opposition leader Lucien Bouchard, stricken with a flesh-eating disease, apparently had a brush with death.

His doctors said at a news conference that Mr. Bouchard, the founder and leader of the separatist Bloc Québécois, had narrowly survived a sudden attack of necrotizing fasciitis, an aggressive disease that quickly spreads to dead tissue and, in four out of five cases, kill its victims.

Patrick D'Amico, Mr. Bou-

chard's physician, said he was confident the infection had been arrested in a series of operations at St. Luke's Hospital in Montreal. Mr. Bouchard's left leg was amputated Thursday at mid-thigh, and a subsequent procedure opened up his abdominal cavity to remove remaining known pockets of infection.

The doctors said that barring unforeseen problems, Mr. Bouchard would be walking again with a prosthetic leg in three to four months.

The positive prognosis followed a long night of rumor and grief as stunned Quebecers contemplated the news that their most popular and charismatic politician, who was seen

hale and dancing at a party function Saturday night, was in mortal danger.

With a referendum on sovereignty expected sometime next year, Mr. Bouchard and his Bloc Québécois were expected to play a major role in organizing and stumping for the pro-separation side.

It was unclear whether his convalescence might delay the date of the referendum.

**A Common Bacteria**

The virulent disease that struck Mr. Bouchard comes from a common bacteria better known for giving children sore throats, Reuters reported from Montreal.

Doctors say the Group A streptococcal bacteria that causes strep throat and tonsillitis has developed a deadly

strain that rapidly destroys body tissue and muscle.

The bacteria penetrates skin, usually through a cut. Once someone has it, a very painful infection spreads so swiftly that antibiotics are useless and surgeons have to cut it out or amputate.

The rare disease, known as necrotizing myositis, caused panic when it appeared in Britain earlier this year killing 13 people.

Researchers say they have known about it for years, but the lethal strain going around now is much more virulent.

Researchers now believe that a particular type of Group A streptococci secrete an enzyme that invades the body's immune system easier and consumes tissue faster than before.

## Spy's Goods Going, Gone (Including Russian Bear)

New York Times Service

MARIETTA, Georgia — The ill-gotten goods of Aldrich Hazen Ames, Moscow's man inside the CIA, have been auctioned off in a suburban shopping mall, an incongruous end to the tale of greed that was possibly the last great spy story of the Cold War.

The curious and the covetous bid on jewels, gems and goatees, once seized amid purloined papers and classified computer files, after Mr. Ames and his wife, Rosario, were arrested nine months ago in their well-appointed home outside Washington.

The fruits of Mr. Ames's espionage were on display Thursday before the auction, held to benefit the U.S. government.

Many stopped to examine them. Hazel Austin was at first taken, and then repelled, by a gold, diamond and costume pearl chain with a pendant of a golden red-eyed animal.

"Is that a Russian bear?" she asked, wrinkling her nose. It was.

"To think that people died for this stuff," she said, referring to 10 CIA agents who were killed after Mr. Ames's betrayals, for which he was paid more than \$2 million by the Soviet and Russian intelligence services.

## Passenger Train Derails in Hungary, Killing at Least 21

Reuters

BUDAPEST — At least 21 people were killed and 60 were injured when an express passenger train was derailed Friday while passing through a provincial train station in central Hungary, the police and rail officials said.

Several carriages of the train, traveling from Nyiregyháza on Hungary's eastern border to Budapest, derailed and sheared

into a platform crowded with commuters in the town of Szabol, 120 kilometers (75 miles) east of Budapest.

One carriage smashed through the ground floor walls of a hostel for railroad workers next to the track and brought the two floors and roof crashing down on top of it.

Two carriages sliced into the waiting room.

A nurse in the hospital of

Szolnok, about 10 kilometers from the scene of the accident, said that dozens of injured were continuing to arrive at the hospital.

"They are crowding the corridors and they are still being brought in. There are adults and children," she was reported as saying.

Other derailed carriages were strewn across the railroad tracks.

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# THE AMERICAS / BILLIONS FOR DEFENSE

## ★ POLITICAL NOTES ★

### Clinton Confidant Is Said to Admit Guilt

WASHINGTON — A former senior Justice Department official, Webster L. Hubbell, a close friend of Bill and Hillary Clinton, has agreed to plead guilty to two felony counts and to cooperate with Whitehouse prosecutors, according to people involved in the investigation.

The development, analysts said, is a significant blow to the White House. Mr. Hubbell, who resigned in March as associate attorney general, was once among the inner circle from Little Rock, Arkansas, and a Clinton confidant.

He has agreed to plead guilty to mail fraud and tax evasion in connection with false billings he submitted to the government while in private practice with the Rose Law Firm, in Little Rock, before he came to Washington, people familiar with the inquiry said.

Aides to Mr. Clinton have watched the Hubbell case closely and with considerable concern for what criminal charges against a close associate might mean for the White House, not only legally but also politically. (NYT)

### Ferment Rises for Senate Republicans

WASHINGTON — In a sign of the turmoil within the Republican Senate caucus, Senator Trent Lott of Mississippi unseated the more moderate veteran whip, Senator Alan Simpson of Wyoming, for the No. 2 leadership job Friday.

The incoming Republican majority had unanimously chosen Senator Bob Dole of Kansas to be majority leader, for the second time in his career. But then, by a 27-to-26 vote, they approved Mr. Lott, an ally of Senator Phil Gramm of Texas who is a possible Dole presidential rival, for the backup post, dumping Mr. Dole's veteran lieutenant, Mr. Lott, a conservative, is close to the presumptive speaker of the House, Representative Newt Gingrich.

On the Democratic side, Senator Tom Daschle of South Dakota capped a rapid rise to power by winning election as minority leader. Mr. Daschle, 46 and in the Senate only eight years, defeated Senator Christopher Dodd of Connecticut, on a 24-23 secret ballot, on the strength of overwhelming support from younger, more junior Democrats. (AP)

### The Gergen Controversy Boils On and On

WASHINGTON — There was little love lost between David R. Gergen and Clinton White House staff members from the day he walked in the door as the Republican who was going to help save the Democratic president.

Now that he's on the verge of walking out, his loyalty to Mr. Clinton is still suspect — as evidenced by angry White House gossip this week over Mr. Gergen's comments at a dinner of former presidential speechwriters.

A Reuters dispatch quoted Mr. Gergen as saying Mr. Clinton's problem has been a failure to communicate his real principles to the American people and that "nobody knows what he stands for." This was quickly interpreted inside the White House as criticism of the president Mr. Gergen serves.

Mr. Gergen was so upset he arranged a guest appearance Wednesday on the "Larry King Live" interview program to combat suggestions he was criticizing Mr. Clinton and to reassert that if Americans knew that Mr. Clinton was a centrist and what he stood for, he would be doing better and get re-elected. He also enlisted the dinner host, the columnist William Safire, who has backed Mr. Gergen's version.

Asked Thursday about Mr. Gergen's comments, Mr. Clinton's press secretary, Dee Dee Myers said, with as innocent a look as she could muster: "Remind me again what David was hired to do here? Wasn't it (pause) presidential communications?" (WP)

### Quote/Unquote

President Clinton, speaking Friday on tax-cutting proposals: "While I favor a middle-class tax cut and I don't rule out working with the Republican Congress on some of their ideas, my standard will be: Will it help increase incomes for the middle class, will it promote jobs and growth, and can we pay for it?" (AP)

### Away From Politics

- Rashid Baz, 28, a Lebanese immigrant who said he was traumatized by his war-torn childhood, has been convicted of murder and attempted murder for shooting at a van carrying Jewish Hasidic students last March in New York.
- A woman who was scalded by hot coffee from a McDonald's restaurant in Albuquerque, New Mexico, has reached a new settlement with the chain. Stella Liebeck, 81, had been awarded \$2.7 million in damages, but a judge later slashed this to \$480,000. Terms of the new settlement were not released.
- The rap star Tupac Shakur and his road manager, Charles Fuller, were found guilty of sexually abusing a woman last year, but acquitted on more serious charges of sodomy and criminal weapons possession.
- At least seven students at a Huntington Beach, California, high school were recovering after they unknowingly chewed LSD-laced bubble gum that had been given to them by other students, parents and authorities said. (AP, Reuters, LAT, AFP)

## Clinton Makes Preemptive Strike on Military Spending

New York Times Service

WASHINGTON — Administration officials have acknowledged that the timing and staging of an initiative to seek a \$25 billion increase in military spending reflected a view that President Bill Clinton must do more to head off what has been a strong line of Republican attack: that cuts since he took office have left U.S. forces incapable of carrying out their declared mission of fighting two major conflicts at once.

The officials said that Mr. Clinton's plan was recognition of a need to improve the readiness and the quality of life of military forces, which have been stretched so thin that the Pentagon conceded last month that 3 of 12 Army divisions were not at peak readiness levels.

"We ask much of our military and we owe much to them," Mr. Clinton declared as he presenting his initiative Thursday at a ceremony with Defense Secretary William J. Perry and the Joint Chiefs of Staff.

The \$25 billion increase would be spread over six years. Among the purposes of the new money, Mr. Clinton said, will be the troops' annual cost-of-living pay increases that Congress has already authorized into the next century.

Mr. Clinton said he also would ask Congress for an emergency increase in this fiscal year's Pentagon budget to help cover the costs of operations in Haiti, Kuwait, Bosnia and off the Cuban coast. Administration officials said later that this emergency request would total about \$2 billion.

Republican congressional leaders described the plan to increase spending as a welcome and important first step.

Senator John S. McCain Jr., Republican of Arizona, who is among the party's most influential figures in military matters, called it "the first sign of recognition on the part of this administration that this nation's military readiness and ability to defend its vital national interests in the world is in question."

But Mr. McCain and his fellow Republicans said the initiative remained inadequate to heal deep wounds in U.S. military might. They said they would fight to halt the decline in the Pentagon budget, which has dropped to \$252 billion a year from \$281 billion since Mr. Clinton took office. Military spending would decline further, even under the president's new plan, before rising again later in the decade.

"This is a hemorrhage that needs a tourniquet," said Senator Robert C. Smith, Republican of New Hampshire, who is a member of the Senate Armed Services Committee, "and the president is offering a Band-Aid."

At a White House briefing after the announcement, Deputy Defense Secretary John M. Deutch pronounced the plan sufficient to allow the Pentagon to close a budget shortfall that had threatened to force deep cuts in weapons systems.

But Republicans immediately questioned Mr. Deutch's arithmetic. They said that it would be impossible to make up a budget gap that the administration estimates will total \$48 billion over the next six years.

"We have a readiness problem now, and we will have a readiness problem after the president's initiative is implemented," said Representative Floyd D. Spence, Republican of South Carolina, who is preparing to become chairman of the House Armed Services Committee in the new Congress.

A promise to restore military spending is a central feature of House Republicans' "Contract With America," which they have pledged to carry out once they take control next month.

But Mr. Clinton said Thursday that it was "not right" to see his request for an increase in military spending as an acknowledgment that his critics were correct.

## FBI Advises Tight Rein On Aliens

Los Angeles Times Service

WASHINGTON — The director of the FBI, Louis J. Freeh, is calling for tighter controls on student visas and alien marriages as part of an intensified effort to curb terrorism in the United States.

Mr. Freeh made the recommendations to Deputy Attorney General Jamie S. Gorkin, who asked him to review policies and practices on immigrants entering and leaving the United States in response to the World Trade Center bombing and to killings outside CIA headquarters — both linked to aliens.

The recommendations, now under review by the Justice Department, also proposed strengthening investigative powers against suspected "undesirable aliens," accelerating deportation appeal proceedings and limiting U.S. participation in a visa waiver pilot program. Under the program, 94 million foreigners entered the country in fiscal 1994.

"Aliens coming to the United States to engage in illegal conduct know that one of the easiest ways to enter and remain in the country is by requesting asylum," Mr. Freeh told Mr. Gorkin.

Under current procedures, they are asked either to post a small bond guaranteeing their appearance at a future hearing or are released on their own recognizance.

"Any legal procedures devised to address such aliens will fail unless they include provisions for the detention and removal of the alien," Mr. Freeh said. "At present, too many of these aliens simply blend into American society and never return for their immigration hearing."

A Justice Department official said Mr. Freeh's proposals are part of a larger review of steps to prevent terrorism in the United States.

Mr. Freeh said that two categories of foreigners requiring additional scrutiny are those who enter the country on student visas but do not abide by the terms of the visa and those who "engage in 'sham marriages' with American citizens or permanent resident aliens" solely to become legal residents.



TRADING SMILES — President Bill Clinton being handed the tally sheet by the Senate Republican leader, Bob Dole of Kansas, from the Senate vote that passed the GATT world trade accord. The agreement was approved by 76 to 24.

## AMERICAN TOPICS

### Los Angeles Court Convicts Fleiss Of Running a Prostitution Ring

A jury in Los Angeles convicted Heidi Fleiss on Friday of running a high-priced prostitution ring. Miss Fleiss, 28, the so-called Hollywood Madam, was found guilty on three of five pandering charges. The jury was deadlocked on the two other counts and acquitted her of supplying cocaine to an undercover police officer.

She was arrested last year after providing \$1,500-a-night prostitutes to undercover police officers posing as businessmen. The defense had claimed entrapment. After her arrest, there was speculation about her clientele. But the judge ruled that the names of her customers were irrelevant to the case.

### Short Takes

A lawyer is suing a restaurant that he claims served him a double espresso instead of decaffeinated coffee. Donald Horowitz of Newark, New Jersey, says the mix-up at last December at the Tegano Restaurant put him in the hospital with a rapid heartbeat. After a few sips, "I developed chest pains and my heart started racing," he said. Mr. Horowitz, 58, who had a heart attack in 1991, claims he still has heart trouble because of the espresso. He did not specify the amount of damages he seeks. The restaurant denies the claim.

Wine aging is vastly overrated, writes Frank J. Priol, wine critic of The New York Times. "Upwards of 90 percent of all the world's wine is meant to be consumed a year or two after it is made," Mr. Priol says. "Beyond that point, it begins to deteriorate, it becomes flat and dull and loses both its color and bouquet." High-quality wines can age five to 10 years and a few exceptional wines even longer. "Occasionally, a truly fine old bottle of wine comes along," Mr. Priol adds, "a bottle whose contents display subtleties of flavor and bouquet rarely encountered in young wine. But these bottles are truly rare. Most old wines taste, well, old."

The country's most common name for dogs is Max, says a survey of 30,000 orders to Tags & Etc. Pet Products, and the most common name for cats is Kitty. The canine runners-up, in descending order: Lady, Jake, Molly and Sam (tied). Shadow, Buddy and Ginger (tied). Casey, Sadie, Maggie and Buster. The feline runners-up: Smokey, Tiger, Tiger, Patches, Missy, Shadow, Samantha, Baby, Callie and Midnight (tied).

International Herald Tribune.

## Life Terms Given To Killer of 2 at Abortion Clinic

The Associated Press

PENSACOLA, Florida — A judge sentenced Paul J. Hill to two life terms Friday for violating the new federal clinic-protection law by shooting and killing an abortion doctor and his escort.

Mr. Hill, 40, showed no emotion as U.S. District Judge Roger Vinson handed down the life sentences and a 10-year sentence for wounding a third person.

Dr. John Bayard Britton, 69, and James Barrett, 74, a retired air force officer, died in the shotgun attack July 29. Dr. Britton's wife, June, 69, was wounded.

Mr. Hill, a former minister, was the first person convicted of violating the federal abortion clinic protection law, passed earlier this year. He was also convicted of state murder charges.

## Gingrich the Novelist Edits Out a 'Goofy' Reference to Bush

By Serge F. Kovaleski

Washington Post Service

WASHINGTON — Newt Gingrich, the House speaker-to-be who is co-writing a World War II novel, says that he told his publisher to drop a draft chapter that refers to a Lieutenant George Bush as "goofy."

Mr. Gingrich, Republican of Georgia, said that he "neither wrote, saw nor approved" the reference to the former president, who served as a U.S. Navy lieutenant during World War II. The book's publisher, James Baen, said Thursday that the section mentioning Mr. Bush was a suggested insertion that he had added to the novel but that Mr. Gingrich had not had a chance to review. The book is due out next August.

The book, tentatively titled "1945," is one of two novels now occupying Mr. Gingrich. It is the latest in a series of enterprises, including a weekly television program on a conservative network, intended to build a national reputation and promote his ideas.

His publisher, who is paying him a \$15,000 advance, took the blame for the unflattering Bush reference. "The fault lies entirely with me, and I deeply regret both the obvious furor as well

as any distress it has caused," said Mr. Baen, who heads Baen Publishing Enterprises in New York. "In this regard, I offer my special apologies to George Bush, a man I personally admire."

The book, which is expected to run about 400 pages, is being written with William R. Forstchen, a historian and science fiction writer who has published about a dozen novels. Mr. Baen said that the co-authors would split the royalties.

Spiced with an explicit extramarital love scene and talk of divorce, the book seems an odd departure for Mr. Gingrich, a conservative who has crusaded for family values and school prayer.

Mr. Baen describes the novel as an "alternate-history techno-thriller." It looks at what would have happened if Hitler had not declared war on the United States. In the draft version, Hitler's plane crashes on Dec. 6, 1941, and he becomes comatose at a time when he would have declared war after the Japanese bombed Pearl Harbor.

In the book's first chapter, the main character, James Mannheim Martel, a naval intelligence officer, says he still

keeps a picture of a young American pilot standing on the wing of his bomber, which had crashed in the water. Mr. Martel had flown cover for the pilot while he waited to be rescued.

"Martel smiled as he thought about him," the draft said. "He hadn't been the cleverest flight leader in the fleet but by God he knew how to lead a group straight into enemy flak like

they were on rails. What was his name? ... Lieutenant George Bush. Quite a guy, in his goofy way."

Mr. Baen said the book's sexually explicit scenes were written by Mr. Gingrich's co-author and reviewed by Mr. Gingrich and himself.

A source close to Mr. Gingrich said he was working on a second novel with the science

fiction writer Jerry Pournelle. The source said the book, which takes place in the late 1990s, dealt with a discovery by an American scientist that a Japanese corporation knows too much about targeting points on earth from a satellite network and is able to drop bombs from space.

In 1984, Mr. Gingrich published "Window of Opportu-

ty," a nonfiction book that contained his views on the world, through Baen Enterprises. Both efforts were partly financed by political contributors.

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## More Than 140 Feared Dead in Philippine Ferry Accident

Compiled by Our Staff From Dispatches

**MANILA** — More than 140 people were feared drowned on Friday after an inter-island ferry with more than 600 people aboard collided with a container ship in Manila Bay and sank.

Rescuers recovered 34 bodies after the early-morning accident, but as night fell they suspended the search for 113 passengers and crew of the ferry Cebu City still believed missing. "I think they are dead," said a Coast Guard spokesman, Jaime Daquilamea. "I think they are with the ship below."

Divers who reached the vessel in less than 30 meters (100 feet) of water at the mouth of Manila Bay said they could see bodies pinned under baggage and debris.

Ships in the area rescued 451 people from the sea, many coated with diesel oil that came out of the ferry's engine room as it sank. The freighter, the Singapore-registered Kota Suria, was damaged but joined in the rescue effort.

Survivors said the ferry crew had done little to help passengers evacuate the ship, which sank within 30 minutes. One crew member said the captain and his top mates had been trapped on the bridge by the collision.

The accident, the worst in the Philippines since 1988, happened before dawn as the Cebu City headed out of Manila Bay.

The ferry's owners, William Lines, said the vessel had been struck amidships by the container ship in the busy shipping channel between Corregidor Island and the southern rim of the bay. The freighter, five times the ferry's size, destroyed the bridge and tore a three-foot hole in the lower deck.

The executive vice president of William Lines, Albert Chiongbin, denied allegations that the 24-year-old Cebu City was unseaworthy.

The chief of the navy, Rear Admiral Pio Carranza, said a mistake by either or both of the bridge officers on the ships could have caused the collision.

The Kota Suria was en route to Manila after unloading cargo in central Cebu Province when the collision occurred. The Japanese-built ferry, commissioned in 1970, was en route to the central Philippines.

Some passengers sleeping on the upper decks managed to scramble from the Cebu City onto the Kota Suria before the ferry tore itself away and sank. Others plunged into the bay to be picked up by rescue vessels.

The worst peacetime ferry disaster occurred in the Philippines in December 1987. More than 3,500 people died in the collision of the ferry Dona Paz with an oil tanker off Mindoro Island. (Reuters, AP, AFP)



Rescuers transporting the body of a victim of the ferry disaster Friday as relatives of passengers looked on in Manila.

## Negotiator Defends North Korean Pact Despite Loose Ends

By R. Jeffrey Smith

Washington Post Service

**WASHINGTON** — A senior Clinton administration official has defended the U.S. nuclear accord with North Korea against bipartisan congressional criticism that it gives the Communist nation too many early benefits while putting off for years the elimination of the country's capability to make nuclear arms.

Ambassador-at-Large Robert L. Gallucci, the chief U.S. negotiator, said at a Senate Foreign Relations subcommittee hearing that the accord "addresses all our concerns about North Korea's nuclear program" by immediately freezing the country's production of plutonium for weapons and eventually forcing its dismantling of all related facilities.

But Mr. Gallucci acknowledged under questioning that the two new Western-style nuclear reactors North Korea is to get as a reward for destroying its existing facilities could eventually be used by North Korea to produce more plutonium, albeit not for many years and not without substantial difficulty.

There would be "a technical possibility" that North Korea could withdraw from the accord in around 15 years, after the two new reactors were completed, and reprocess the reactors' spent fuel rods to extract more plutonium for use in weapons, he said Thursday in response to questioning from Senator Charles S. Robb, Democrat of Virginia, outgoing chairman of the East Asian and Pacific Affairs subcommittee.

But Mr. Gallucci said that spent fuel from the so-called "light water" reactors would contain dangerous radioactive isotopes, making its handling difficult. He also said the move would cause Washington to halt new fuel rod shipments to North Korea, leaving the country without fresh fuel to keep generating electrical power.

Mr. Gallucci took pains Thursday, as he did during a White House debate about the accord, to say that the fate of the spent fuel from the two new reactors remains "open for negotiation." He indicated that Washington would seek to clarify the matter in a pending contract between North Korea and

a multinational consortium that would build the reactors.

Although Mr. Gallucci did not say exactly how, other officials said that Washington would seek to get a North Korean commitment in the contract that all spent fuel from the new reactors would be exported instead of stored in North Korea.

Senator Frank H. Murkowski, Republican of Alaska, also expressed concern about the issue Thursday. But Mr. Gallucci declined to answer directly when Senator Murkowski asked if Gary Milhollin, an independent nuclear proliferation expert, had correctly calculated that the total quantity of plutonium generated by the two new reactors would greatly exceed the amount that North Korea might have developed on its own with its existing technology and no accord.

"I'm not going to be able to give you a yes or no," Mr. Gallucci said. The difference in strategic terms "isn't that much" between plutonium caches of such great size, he added. He had previously estimated that North Korea could have used its existing technology to make enough plutonium for 30 nuclear weapons a year.

## Jakarta Pledges To Beef Up Law On Labor Safety

Reuters

**JAKARTA** — Indonesia, under fire for its labor safety record, has promised to get tough with companies that violate worker protection laws by pushing for harsher penalties and prosecuting 95 companies under existing laws.

The official Antara news agency quoted Labor Ministry officials as saying they had drafted a bill that includes harsher penalties for violators — usually those failing to pay the minimum wage — than the existing fine of about \$50.

"Existing sanctions are too light and are unable to serve as a deterrent to potential violators," Indonesia's director-general for manpower supervision, Suwanto, was quoted as saying on Thursday.

## Faith After a Son's Death: Couple's Tragedy Inspires Israelis

By Clyde Haberman

New York Times Service

**JERUSALEM** — The letters keep coming — tens of thousands of them by now, Esther Waxman says — so many that she had to hire a private company to sort them.

In Israel, the correspondents include her 12th-grade students at Hebrew University High School in Jerusalem, where she teaches English. "I do not believe in God," one of them wrote. "I come from an atheistic family. Nevertheless, we lit candles on Friday night, and my sister and I even looked in Psalms about the release of prisoners. It didn't help, or so it seems at least, and so I wanted to ask you how can you still have faith after this?"

"This" was the October kidnapping and killing of her soldier son Nachshon by members of the Islamic group known as Hamas. And the answer to the student's question, says Mrs. Waxman, an Orthodox Jew, is that faith still burns brightly for her and her husband, Yehuda, even if it has been sorely tested.

"My husband is interested in opening an educational center now to get them young, to teach these children, these Hamas people, about human life and values universal to all religions," she said. "He feels that by the time they're teenagers — however old these kids were who

took Nachshon — it's too late. Even their own parents can't get to them anymore."

Nachshon Waxman, 19, was gunned down on Oct. 14 during a failed rescue mission by the Israeli Army. For almost a week before that, as the kidnapping drama built, his parents became familiar figures across Israel and in much of the world, appealing without anger and with sad dignity for his release, prayers that went unanswered.

Now, seven weeks have passed. Yet Israelis and others — many letters come from abroad — are still reaching out to the Waxmans and their six surviving sons, not just to comfort but apparently also to be comforted.

Along with the letters, invitations cascade into their row house in northern Jerusalem to speak at schools and community centers around the country.

Yehuda Waxman, a former schoolteacher and more recently a real-estate salesman, found himself invited to the signing ceremony last month for the peace treaty between Israel and Jordan. The next night, he was in the Israeli Parliament meeting President Bill Clinton.

It is unusual for so much attention and emotion to be focused on one family. This is a land with no shortage of victims on both sides of the long Israeli-Palestinian conflict, and it was not

the first time that a soldier had been kidnapped or killed.

Yet many Israelis have turned to the Waxmans, as though expecting that their bitter experience had supplied them somehow with the answers to complex questions.

"We reached hearts," Mrs. Waxman said at home over coffee, her voice occasionally a quaver. "My son was everybody's son."

"Maybe there's the element of faith," she said. "People in this country tend to be very extreme, and they see the religious community as an extreme, fanatic group. But we're practicing, religious Jews who are also part of modern Western civilization, and maybe that hit a chord. Maybe people are lacking that element of faith, and grabbed onto it when they saw it in so-called normal people."

"It's sort of crisis therapy," she added. "Religiously, spiritually, politically, we just feel as if we're floundering here, and there isn't a real concrete plan to give us direction. People seek direction, and my husband talks about that."

Both Waxman parents are 47 and children of survivors of the Holocaust. He grew up in Romania, she in the Flatbush section of Brooklyn, a place that — Israelis need no reminding — also produced Dr. Baruch Goldstein, the settler who killed 29 Palestinians in Hebron last February.

"Somebody wrote me saying that I'd vindicated the American Jewish community that immigrated to Israel, as a counter to Goldstein," said Mrs. Waxman. "I don't want that description of me. I don't know what motivated him. I don't want to get into that at all."

Similarly, the family has avoided speaking out on Israel's present peace policies.

But she acknowledges that an Israeli journalist was close to the mark about her husband and her when he wrote that "he supports the peace process with reservations — she opposes it with reservations."

Of more immediate concern is her family. An 8-year-old boy, a twin, has Down's syndrome. Another son, 20, is also in the army, in a unit that was just sent into southern Lebanon where it faced possible fighting. With the family having lost a son, he needed his parents' permission to go along; they refused.

This week happens to be the festive Jewish holiday of Hanukkah, when families gather to light candles and sing songs.

"The Sabbath and holidays are very difficult for all of us," Mrs. Waxman said as the doorbell rang — a mailman bringing yet another stack of letters. "That's family time. All of my children have their own seats around the table. Nachshon's seat is empty. But he's there."

## Lebanese Leader's Resignation, Over 'Obstacles in Path,' Awaits Syria Talks

Compiled by Our Staff From Dispatches

**BEIRUT** — Prime Minister Rafik Hariri of Lebanon said Friday that he would not back down from his decision to resign.

But an adviser said the prime minister still had not formally presented his letter of resignation to the president, and would not do so until after talks with Syrian leaders in Damascus on Sunday.

Analysts here say they be-

lieve that the final decision on his resignation will be taken by Damascus, which has 35,000 troops in Lebanon and pulls the political strings in Beirut.

"For two years I have been trying to push forward the project of rebuilding" the country, Mr. Hariri said in a speech, "and for two years there are those who are working on putting obstacles in my path. My last step is a step I will not back down from."

Mr. Hariri, speaking at the opening of an Arab book fair hours after announcing his decision to resign, did not specifically mention resignation. But Lebanon's national television, which broadcast the speech, said he was referring to it.

"I came to take part in building Lebanon, and I have tried to attract all the positive potential hidden in the country and to deal with everybody so as to release a great cycle of development which Lebanon is in dire need of," Mr. Hariri said. "But this effort was met with at-

tempts to impede it and create doubts to hinder its execution."

A source close to Mr. Hariri said earlier that he had cited irreconcilable differences with House Speaker Nabih Berri as the reason for offering his resignation late Thursday to President Elias Hrawi.

It is the third time the 48-year-old prime minister has staged a one-man strike since he became prime minister in October 1992 with the task of rebuilding Lebanon after the 1975-90 civil war.

He stayed at home for a week last May, causing apprehension

for Lebanon's future at home and abroad and a \$237 million run on the Lebanese pound.

Mr. Hariri, a construction tycoon who made his fortune in Saudi Arabia, has spent two years on an ambitious program to rebuild Lebanon from the civil war. The nation has achieved monetary stability, a steady capital inflow and in-

creased peace and security during Mr. Hariri's rule and has begun rebuilding from the ruins of war.

But some of Mr. Hariri's projects have aroused criticism and he has had repeated conflicts with Mr. Hrawi and Mr. Berri, the two other members of Lebanon's ruling "trio" of presidents. (Reuters, AFP)

## 4 American Students in Fight With Egyptians Will Quit Cairo

The Associated Press

**CAIRO** — Egyptian and U.S. students clashed on the campus of the American University in Cairo, and officials later said four Americans involved in the incident were leaving the country.

Students and witnesses said the fight started after U.S. Embassy officials arrived at the downtown campus Thursday to investigate an incident a day earlier in which four American students allegedly roughed up an Egyptian, Mustafa Najam, who is president of the Student Union.

They said about 250 students gathered to demand that the diplomats leave the campus, shouting that they were interfering in student affairs. The diplomats were unable to leave until the police were summoned.

At least two students, both believed to be Egyptians, were taken to a hospital for treatment, they said. There were no reports of arrests.

The reason for the confrontation between Mr. Najam and the American students was not immediately known.

The university has an enrollment of more than 3,500 in graduate and undergraduate

programs. More than half are Egyptians. Among the foreigners are many American and British students who come to study Arabic. Chartered in Washington, the university was founded 75 years ago.

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## ART

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Paintings of Do Quang Em, here with a portrait of himself and his wife, have sold for as much as \$70,000 abroad.

## Vietnam's Flourishing Art Scene

By Philip Shenon  
New York Times Service

**H**ANOI — During the Vietnam War, there was little paper and almost no canvas in North Vietnam, and so one of the fathers of modern Vietnamese painting, Bui Xuan Phai, was often forced to do his work on matchboxes and scraps of newspaper.

Phai, who in his lifetime never earned more than the equivalent of a few hundred dollars from his art, had a graceful, fluid painting style that is still much imitated by Vietnamese artists, north and south. He died in his beloved Hanoi in 1988.

It is a sign of how the free market has begun to affect Vietnamese art that young admirers in Hanoi have begun to copy something else of Phai's — his distinctive signature — in hopes of persuading unsuspecting foreign art buyers to pay thousands of dollars for what appears to be an original.

"There are many, many obvious fakes of Phai," said Nguyen Thi Lan Huong, 27, the owner of the Gallery Saigon, one of dozens of art galleries that have opened in Vietnam in the last two years. "By now, I do not think there are many real Phai paintings left in the country. The foreigners have bought them all. The foreigners seem to like our paintings very much."

Vietnamese art is suddenly a very big business, a multimillion-dollar industry that now supports hundreds of artists who until a few years ago were united by their desperate poverty. "The prices keep going up," said Huong, whose own jet-setting lifestyle demonstrates just how good the money in this business can be; after returning from a recent trip to the Indonesian resort island Bali, she was off to Singapore for an art exhibition, followed by her first visit to the United States.

With the fascination elsewhere in Asia for all things Vietnamese, paintings from

Vietnam are beginning to turn up in exclusive galleries in the Asian money centers of Hong Kong and Singapore, drawing prices that start at several hundred dollars and end in the tens of thousands.

Collectors caught up in the craze for Vietnamese art have driven up the price of a genuine Phai, which might have fetched \$500 a few years ago, to as much as \$25,000. The question in Hanoi today is whether Vietnam's artists are also being asked to sell their souls — for a very handsome price, mind you.

Some artists complain that the overall quality of art in Vietnam is declining as talented painters turn out work as quickly as they can, hoping for equally quick sales, while untalented painters flood into the market, turning out what they hope will attract the eye of unscrupulous tourists.

"That is my concern," said Nguyen Van Chung, a painter who is the director of the National Museum of Fine Arts in Hanoi. "If our painters think too much of money, they will be producing a market product. They will just try to satisfy the taste of the foreigners."

**O**THERS suggest that after generations of government-enforced poverty, the money is precisely what Vietnamese painters need to encourage them to take the next step: to begin producing work that challenges the political order.

It may already be happening. While little Vietnamese art is overtly political, painters — who for years were essentially government employees because there was no one else to buy their work — have begun to produce images that once would have been forbidden by Vietnam's prudish government censors as counterrevolutionary.

A young, openly gay Vietnamese painter created a sensation in Hanoi in February

when he opened a show of male nudes. It was not until 1990 that the government allowed nudes to be shown publicly, and even today male nudes are generally considered taboo.

Modern Vietnamese painting had its start in the 1920s, when the French colonial government established the Ecole des Beaux-Arts de l'Indochine in Hanoi, which trained a generation of painters from across French Indochina.

The French influence may explain why Vietnamese art today appeals so widely to the Western eye. Western-trained art dealers admire the technical achievement that is usually missing from the painting produced elsewhere in Southeast Asia. "It's unique in this mixture of European and Asian styles," said Shirley S. Hui, a Chinese-American art dealer who is one of the owners of the Gallery La Vong in Hong Kong.

Hui represents several of Vietnam's best artists. Among them no one brings a higher price than Do Quang Em, 52, a painter whose photo-realism style follows naturally from his earlier career as a photographer.

While his large oil paintings sell for as much as \$70,000 apiece by the time they land in Hong Kong, Em lives modestly in a small house in Ho Chi Minh City. A devout Buddhist, his only obvious luxury is the pack of imported Dunhill cigarettes at his elbow, he shrugs when asked about the money his works attract overseas.

Although he does not want to discuss his prices, he clearly sells them to overseas dealers for a small fraction of the prices they eventually command. "In Hong Kong, they can offer me paintings for the prices that they like," he says, insisting that whatever happens elsewhere in Vietnam, his work will not be corrupted by the sudden opportunity to become rich. "I care only for the art."

## Marville's Once and Future Paris

By Katherine Knorr  
International Herald Tribune

**P**ARIS — When Baron Haussmann was preparing to tear up the streets of Paris, the city asked the photographer Charles Marville to make a record of what was disappearing: medieval narrow streets, courtyards crowded by workshops, leaning apartment buildings and what seems now, in a city surrounded by skyscrapers, almost open countryside.

Marville, who was a mildly talented illustrator, mostly in lithographs and woodcuts, made his career as a photographer of record, first with reproductions of paintings and sculpture and architectural pictures of churches and châteaux, later as the official photographer of the Louvre Museum, and finally as the set photographer in the transformation of Paris.

Marville's work for the city, which began in 1858, meant recording the old, but it also meant shooting the tearing down, the remarkable scaffolding and all the new points of modern civic pride, from the buildings to the statues and parks (like the weird and extraordinary Buteaux-Chaumont), omnibus stops, Morris columns and municipal toilets, the famous *vespasiennes*.

The range of Marville's work, which deserves to be better known, is revealed in a wonderful show at the Bibliothèque Historique de la Ville de Paris (22 Rue Malher in the fourth arrondissement) until Dec. 31.

Marville, who was born in 1816, is something of a mystery. Almost nothing is known of his life, not even when he died, perhaps in 1878. His attitude toward the utilitarian but extraordinary pictures that he took is not entirely clear. He is believed to have had a temper, and had fallings-out with several of the people he worked with. His artwork and some of his photography make him appear something of a romantic. His self-portrait in the exhibition shows a handsome, carefully dressed man.

Marville the photographer is also little-known today, and this show is an attempt to rescue him from darkness by exhibiting and publishing hundreds of pictures in the city's archives, from damaged color photos to some uncannily clear original prints on *papier albuminé*.

**A**LTHOUGH Marville's pictures of the streets of Paris are likely to strike a nostalgic chord in anyone who admires the city, they were probably meant to do quite the opposite. They emphasized narrowness, crookedness, the irregular pavement, even the greasy darkness of wet cobblestones, and so showed how insalubrious was the Paris soon to disappear, how shabby the houses, the



Marville's photo of a *vespasienne* on Rue du Faubourg Saint-Martin, erected in 1848.

artists' workshops, the little businesses.

Objects are always precisely photographed — street names and administrative posters are clear (and familiar, the typography having remained the same), as are stonework, porte-cochère curbs, pockmarked walls — testimony to Marville's

work as an architectural photographer. On the rare occasions when people appear, they have the stonelike quality brought on by long posing.

Marie de Thézy, the curator of the show, says that Marville shot in the morning or evening and often in rain, to emphasize darkness and squalor. This seems true of some, but not all these pictures. Wet pavement was useful to the photographer because water enhanced the reflection of light, and early or late sun gave greater contrast and so precision to the subject. In quite a few of these photographs, the sun spreads large rectangles of pale light on distant pavement, and white traces indicate daytime human bustle that didn't get recorded by those long camera exposures.

Although Marville had extensively photographed churches in his previous work, he did not record the medieval churches that Haussmann was to raze. Marie de Thézy, also the editor of a book of photographs published by Hazan to accompany the exhibition, believes that was emphatically not part of the assignment — showing the churches would not have set the right tone for this magnificent propaganda project.

**T**HE Second Empire wanted to make Paris a modern city (and one without street insurrections). Haussmann's ideas were pharaonic, as some would label François Mitterrand's *grande traversée*. Haussmann was that most alarming of urban planners, the visionary, and while he created a beautiful and truly 19th-century city, with broad avenues and parks and proper urban lighting and sewers, he also ran thoroughly out of control.

When Marville photographs the new, everything is full of light. Here at last is sky and trees and fountains. He is a sober recorder of urban, imperial grandeur, and his vision in these photographs was the vision that informed the great world exhibitions where Progress was the theme and Marville repeatedly won medals.

Here are Bataillard's pavilions being built, here the Hôtel de Ville rising grotesquely from its ashes, parks carved out of the earth, people peaking through the wooden barriers at the enormous work around the Opera.

Was Marville a great artist? An obvious comparison is to the far better-known Atget (who was probably inspired to some extent by Marville). Although their aims were in some ways contradictory, Marville does not fare badly in the comparison. His mean streets, in rain and in sunshine, are eerily beautiful; a century later, they seem an unwitting tribute to the little man, to towns with human dimensions, testimony to the hubris of imperial power.

## Into the Void With Yves Klein

By David Galloway

**D**USSELDORF/COLOGNE, Germany — These two Rhineland cities, traditional rivals in the cultural sweepstakes, have undertaken a unique collaboration. With "Yves Klein: Leap Into the Void," they are currently staging the first major retrospective for the revolutionary French artist (through Jan. 8).

Though he had not yet celebrated his 34th birthday when he died of a heart attack in 1962 and his active career spanned a mere eight years, "Yves the Phenomenon," as he dubbed himself, had already exerted a pivotal influence on the contemporary art scene. He had also anticipated many of the minimalist and conceptualist trends of the following decades.

In addition to paintings, assemblages and installations, Klein articulated his idiosyncratic aesthetic in performances, architectural proposals, photographs, texts and film scenarios. He even composed a symphony consisting of a single sustained chord, followed by an equal period of silence.

Small wonder, then, that many of his contemporaries labeled him a charlatan. As evidence, they could point to the two catalogues of his monochrome paintings, published in 1957. Each documented 10 canvases that were not actually produced until the following year.

In the monochromes for which Klein is

best known among museumgoers, every trace of personal gesture and subjective expression is banished. By reducing his works to pure color, he strove to free and sharpen the viewer's own perceptual faculties.

Such canvases also hung, as aids to meditation, in the judo school Klein founded in Montparnasse, after winning his black belt in Tokyo. The duty of art, according to the Zen-inspired teacher, was to assist the viewer in discovering his own soul.

The most "soulful" color for Klein was the vivid ultramarine blue that he developed together with a chemist friend and subsequently patented as "IKB" (International Klein Blue). The first show of blue-on-blue paintings was held in a Milan gallery, where the identical formats were offered at a wide range of prices.

The following year, visitors to Klein's

show at the Paris gallery of Iris Clert sipped blue cocktails in a vacant all-white space. Outside, a "sky sculpture" of blue balloons lifted into the air. Reliefs and sculptures of sponges dipped in "IKB" would extend the repertoire, along with the "Imprints" produced by paint-smeared bodies writhing across a canvas.

Resolved to break down the barriers between art and life, Klein cultivated the skills of self-promotion that his contemporaries Joseph Beuys and Andy Warhol also mastered. In 1957 he confided to his diary, "A painter should paint a single masterpiece, himself, incessantly." If in his own short career, Klein became a living legend, his early death assured him a mythic status

of the sort normally reserved for stars like James Dean. A smart career move.

Not surprisingly, the Klein legend has often stood in the way of an objective appraisal of his stature. The overview now provided by the Rhineland retrospective thus offers a rare chance to come to grips with the works. At Cologne's Museum Ludwig, viewers can observe the artist's "Emergence and Development," while Düsseldorf offers "Culminations," including the canvases Klein "painted" with a flame-thrower.

Further shows at Cologne's Galerie Gmurzynska and at Haus Esters in Mönchengladbach (through Feb. 5) round out the picture.

**I**T is no coincidence that the museum shows, which move next year to London's Hayward Gallery and Madrid's Reina Sofia, originated on the Rhine. One of the first important exhibitions of Klein's "Monochromes" was held at Düsseldorf's legendary Galerie Schmela in 1957.

He created his "Void" room for Krefeld in 1958, and in 1959 completed massive sponge reliefs for the new musical theater in Gelsenkirchen. The exposure helped Klein to attract German collectors, and critics here were more sensitized to the aesthetic implications of his personal mythology. In his brief, volatile career, "Yves the Phenomenon" sought nothing less than a redefinition of art itself.

David Galloway is an art critic and freelance curator based in Wuppertal, Germany.

## BOOKS

### THE LOST HEART OF ASIA

By Colin Thubron. 374 pages.  
\$23. HarperCollins.

Reviewed by Luree Miller

**C**OME with Colin Thubron to Central Asia. The tales he tells are the latest tidings in a long tradition of travel literature about this remote region that has obsessed the imaginations of English adventurers since the first days of the British Empire. The 19th-century travel writer Isabella Bird Bishop heard her homebound husband declare, "I have only one formidable rival in Isabella's heart, and that is the high tableland of Central Asia." English men and women, such as Isabella, poked at the edges or

chanced a single daring thrust toward the forbidden heart of Asia. Their accounts compose a small body of fascinating travel literature that is suddenly burgeoning: The Russian empire has crumbled, and Central Asia is now an open land.

Travel there still is not easy. But typically, the English forge ahead as intrepid, independent travelers carrying with them a strong sense of history based on their predecessors' adventures and Britain's long involvement in the Great Game.

Thubron, an acclaimed English novelist, wanted to plumb the heart of Asia to discover what makes it beat. His journey was made during the first spring and summer of Central Asia's unexpected independence from Russia in the fall of 1991. Arriving in Ashkhabad, a city that "looked impermanent," he roamed for 6,000 miles by bus, train and car through originally nomadic lands now designated as the independent states of Turkmenistan, Uzbekistan, Tajikistan, Kazakhstan and Kyrgyzstan. Everywhere Thubron was haunted by history.

"The Lost Heart of Asia" is enriched by Thubron's knowledge of Muslim culture; he has traveled extensively in the Middle East and North Africa. The mosques of Samarkand, restored madrasahs (Islamic schools) of Tashkent, and fortress ruins in deserts and mountains prompt his historical vignettes of long-forgotten sultanates, their savagery and splendor.

Russian is the lingua franca of Central Asia, and Thubron's ability to speak it (which he modestly says is halting) is a definite asset. People tell him the stories of their lives — usually during marathon vodka-drinking sessions. The horrors they endured under Soviet rule are now being forgotten or minimized as they struggle for survival in the current economic chaos.

The new states are founded on ethnicity, but identities are unclear. Ethnic intermarriages have blurred tribal loyalties. A miasma of longing for some sort of certainty and purpose in life hangs over Central Asia from the Aral Sea to the Pamirs. Halfway through his journey,

badgered, hounded and bilked by hard-faced, loitering youths and loutish, drunken adults, Thubron realizes "how deeply my concept of the Russians had changed. Suddenly everything which they had achieved here — in education, welfare, administration, however corrupt and limited — was threatening to collapse. The old, bullying propaganda — the Marxist invocations to work and unity — all at once looked like benign common sense, a plea for the future."

As a travel writer Thubron is not memorably crotchety like Paul Theroux or vividly opinionated like Martha Gellhorn. He is evenhanded and courteous, even to bores and lusers. But he is persistent in his curiosity, following obscure leads and dangerous roads to find the truth heart of Asia. He has a novelist's sensitivity and an historian's perception. One could not ask for a more rewarding travel companion in a little-known land.

Luree Miller, author and travel writer, wrote this for The Washington Post.

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ART

Paris



Picasso portrait (detail).

# At Auction, a Feverish Search for Big Names

**L**ONDON — Nothing is more mysterious than the mechanism that gets big money flowing in the art market. For Impressionist and Modern pictures, the wheels that started moving last year in the fall were spinning faster this week than at any point.

On Monday and Tuesday, as Christie's and Sotheby's conducted their respective night sessions traditionally reserved for the pick of the basket, the eagerness to buy

## SOREN MELIKIAN

was vivid in both houses. Sales in both sessions added up to an astonishing \$25 million (\$39 million), given the merchandise. There was little on offer and the quality was not impressive. This is a dangerous moment for buyers. They operate in the tail end of a market at a point when leftovers tend to be overvalued because nothing else is available.

At Christie's, the feverish search for great names even when these were not appended to great works was obvious. Important paintings by Gustav Klimt, the towering figure of the Secessionist movement in Vienna, are no longer seen at auction these days. So when a large picture by the master came its way, the auction house's public relations machinery drummed it up. That the closeup view of flowers in a garden, painted by the artist about 1905-1907, should bear no connection to the innovations that made Klimt's originality was happily ignored.

The composition reflects Klimt's belated exposure to Impressionism. Spots of bright red and bright orange with a lighter sprinkling of purple and white pop out of a sea of greens. This is all about color effects, not light. In contrast to Impressionism, it has no depth, no volume and no perspective. Nor does the composition display the crisp structural delineation that characterizes Klimt's uniquely expressive portraits and urban scenes in his grand manner. If its price did not seem quite as extravagant

as it actually is at \$3,741,500, this is only because the mind-boggling estimate was set by Christie's at \$3.5 million to \$5 million, plus the 10 percent premium.

At least the Klimt had charm. No such redeeming quality accounts for the \$273,500 paid for a late cityscape by Paul Signac, "La Place aux Herbes, Verone," done in 1908. By then, the Pointillist technique in Signac's oeuvre had become a trick rather than a way of conveying a feel for light. Without the Pointillist screen, the view would come close to photographic accuracy. Like the Klimt, the Signac falls outside the corpus of the oeuvre that once made the artist great.

Not only did uncharacteristic works fare splendidly on Monday, but so did sheer mediocrities. Camille Pissarro's harvest scene painted in 1887, when the Impressionist artist was heavily influenced by the Pointillism of Signac, is unbalanced and confused. It fetched a whopping \$1,013,500. The price suggests a buyer dying to own a Pissarro and falling back on what is left, i.e. the works unwanted after three decades of feverish hunting for Impressionist art by every museum or major collector of 19th-century painting. Pissarro's turn up in most sales, but great Pissarros are unobtainable.

**T**HE rarity factor is now affecting early 20th-century works. Picasso's Neoclassical period, which lasted about three years until the end of 1923, is hard to come by. The portrait of a woman, her enormous head bending forward with a glazed expression of unfathomable boredom, was hugely expensive at \$2,091,500.

On Monday, only the most improbable daubs were left out in the cold. Typical casualties included a moonlit landscape by Corot not unlike some outsized color image for Caravaggio, complete with cows. An unfinished Monet landscape, as delicately done as if the artist had brushed the canvas with a broomstick laden with paint, also floundered. Otherwise, interest remained sustained throughout.

Yet, it was left to Sotheby's Tuesday sale to give the full measure of the effervescent mood of art buyers. Perhaps the week's most astonishing coup, when looked at from the vendor's viewpoint, certainly not the buyer's, was the sale of a still life by Manet. The picture was left unfinished. Flowers are heaped on a Louis XV marquetry table. Its top is vaguely indicated in broad splashes of browns. In the background, a few sepia strokes on a creamy surface suggest that the artist intended to reproduce some landscape painting. The messy picture carried a \$500,000 to \$700,000 estimate. At \$400,000 no one seemed interested. Simon de Pury, who was conducting the sale, then called out \$410,000, and suddenly brought down his hammer, almost shouting, "Sold!" Alex Apis, the director of Sotheby's New York Impressionist and Modern art department, acting on behalf of a client, had signaled he was bidding.

Another miraculous price from the vendor's viewpoint in Sotheby's auction was the \$397,500 paid for a landscape by Henri-Edmond Cross, a fellow traveler of Pointillism. The view of a deep bay, with hills in the background, is an academic landscape barely disguised by the Pointillist technique. Two women standing in the water at the far end, would appear to have been added as an afterthought. They hardly enhance the appeal of the landscape.

As the sale progressed, a continuing upgrading process seemed to be in the making. A study of a naked woman reclining on a couch in a would-be provocative posture carried the signature of Kees van Dongen. The Flemish artist produced some true masterpieces in his Fauve period. Unfortunately, this was not one of them. A band of green color has been slapped along the leg, presumably to indicate a shadow. The confused setting is hard to make out. The clumsy picture comes within inches of qualifying as a daub. The generous \$386,500 that greeted it would be inconceivable were the market not so starved for goods.

The magic of famous names was as effective at Sotheby's as it was at Christie's. It boosted a Picasso with a faint claim to heralding Fauvism. The large watercolor sketch of an actress performing at the Moulin Rouge dated 1901 brought a staggering \$1,816,500, above the high estimate by one third.

The publicity given to Caillebotte's name through the current Paris show similarly boosted the painter's life-size portrait of his old friend Paul Huguot. Executed in 1878, at the height of Impressionism, it is as far removed from it as anything Caillebotte ever did. The standing figure looks like a photograph colored by hand. The predominant color chosen is, as it were, a negation of color. The portrait is a study in monochrome black against a white ground without any substance to it, like the white paper backdrop of a photographic studio. That portrait cost its buyer a huge \$661,500.

**D**OES all this pave the way for a replay of the late 1980s when attendances were prepared to swallow everything? Not for the moment. Aside from the fact that the market now stands at about half the price level it reached when hysteria climaxed in 1989-90, there is a noticeable feeling of self-control and composure as bidders get in on the act. Gigantic sums were lost by the reckless investors who came in from the stock exchange and other places in the late 1980s, when they tried to realize what they imagined to be their artistic assets in a moment of need. The memory lingers.

In addition, those who bought in 1988-90 and were not forced to unload their holdings hang on to them because prices are nowhere near what many of them paid. If they were to sell now, they would lose not just the interest on the sums invested, but part of the capital as well. Because many buyers of yore are not ready to sell, the market remains tight. With far fewer transactions than five years ago, the market keeps its cool, even when its actors significantly overpay.



Caillebotte portrait of Paul Huguot.

## The Artistic Heresies of André Derain

By Michael Gibson  
International Herald Tribune

**P**ARIS — André Derain, one of the leading Fauvist painters, a friend of Matisse and Braque, later much admired by Balzac and Giacometti, fell into a two-fold discord with the French art world. He broke with the principles of Modernism in the '20s, and reluctantly accepted to take part in a German art tour organized for propaganda purposes by the Nazi occupiers in 1941.

Derain had hoped this trip might help him recover his house in Chambourcy. Its occupation by soldiers left him homeless. In fact, however, the house remained requisitioned throughout the war. He also imagined he might be able to secure the release of a number of French artists who were then prisoners of war. In this he was also disappointed. And while he was cleared of accusations of collaboration by a court after the war, the excitable mood of Parisian society in the postwar years led to his relative ostracism.

Viewing the current exhibition at the Musée d'Art Moderne de la Ville de Paris (to March 19), one cannot help thinking that Derain's contemporaries were perturbed above all by the heresy of the artist's highly personal and so-called Neoclassical evolution. This is hardly surprising, since it is also, though in a positive sense, an enigma to the contemporary viewer.

Derain was quintessentially French in his temper and outlook and even in his features. An amusing photo displayed in the exhibition shows him most convincingly dressed up as Louis

XIV. He was curious, sensitive, inclined to experiment, engagingly prone to understatement and, being a practitioner above all, rather suspicious of theory — a trait that distinguished him from the Parisian mainstream of his day.

His early Fauvist work is suffused with the enthusiasm of a youthful hedonism. O brave new world that has such colors in it! The underlying white of some of the best landscapes done in Collioure in the south of France bespeaks the artist's dazzlement at the sight of this sunny, dappled world.

This "revolutionary" part of Derain's work remains the most accessible to a modern viewer. But the painter soon turned to other things, his colors became more muted, his landscapes and portraits and still lifes more classical or Cubistic or even naive in the manner of Marie Laurencin or... but at this point, words begin to fail one as one observes the artist running the gamut of forms and styles, testing one idiom after another, all in the short decade preceding World War I.

Derain's eclecticism is quite unlike the diversity we associate with Picasso's production and which we now take as a matter of course. This may be because one senses a singleness of purpose in Picasso, a powerful and indeed brutal authority and a clear awareness of his own public persona, while Derain's stream of shifts seem to reflect a lasting perplexity or discomfort.

The artist was marvelously gifted, however, and his evolution shows an intimate concern with the fundamental issues of art. He did what he felt was necessary and always spoke his

mind on matters artistic, at the risk of shocking the guardians of the aesthetic creed.

He did not hesitate, for instance, to declare that the Impressionists painted like "fairly gifted young ladies" and that a gray-toned painting by Le Nain could demolish a Monet any day. One may or may not agree, but one can only gain from being confronted with such challenges to hallowed commonplaces. Derain did as much in his own work, as demonstrated by more than 300 items including paintings, sculptures, drawings, costumes and sets assembled in this exhibition.

**B**UT his experience of World War I, notably at Verdun, seems to have put an end to the gaiety of youth. French critics rather ominously refer to the manner of the succeeding years as a "return to order" — implying that reactionary forces were attempting to take over the field of the arts and that Derain had lost his revolutionary ardor.

He had no doubt lost it, but things were not that simple. Diplomatic relations with the arts of the past were far from

easy at that time, and Derain's nudes, still lifes, portraits, allegories and mythological scenes betray a nostalgic delight in forms no longer considered relevant — a delight tempered with the somber pessimism of the Ecclesiastes.

To the triumphant proclamations of modernism, grinding the bones of the past and celebrating the glories of the new life, Derain's art appears to respond that there is "nothing new under the sun" — an affront to all that Modernism believed in — and his constantly shifting eclecticism, which defended the disciplined experimental bent of the modernists, is a formal demonstration of this assertion: "All of this has already been done and we, like every one of these artists of the past, are also subject to time and death."

As a result, there is an unusual pathos in the criticism of his nudes, and something timeless (something beyond both modernity and tradition), in his best work — something that might well remind one of the huge questioning eyes of the Egyptian Fayyum paintings or of the feather-light murals of

Pompeii emerging from the volcanic ashes to bear witness to mutability.

This pathos inherent to Derain's work does not appear in that of, say, Matisse or Picasso. On the other hand, Derain lacks the cohesion apparent in the latter's manic abundance, and it fails to achieve the synthesis that is so clearly visible in the way Matisse unfolds his primal intuition and brings it to glorious fulfillment.

Derain's work of the last years is often profoundly, intimately sorrowful. Rather significantly, the last room of the exhibition contains two somber little landscapes, one of which is described as "triste" in the title, and the other as "sinistre." Beside them hangs the artist's ultimate self-portrait, a masterpiece in the great Western tradition that, like the rest of the production of this fine, imperfect painter, confronts the artists of today with a lasting challenge.



Detail of "Autoportrait à la pipe," Derain's last self-portrait, done in 1953.

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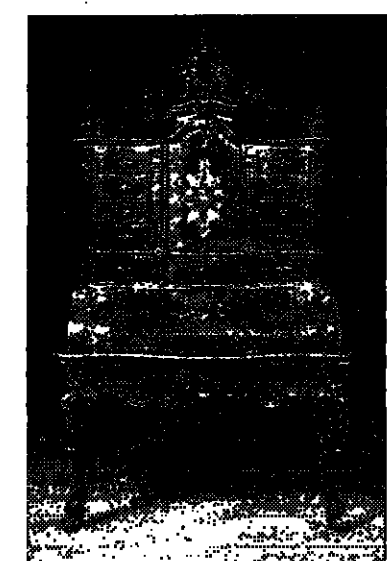
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# Herald INTERNATIONAL Tribune

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## Amoral Endgame in Bosnia

With Serbian forces advancing without restraint, European and American diplomats in headlong retreat from their own peace plan and the United Nations threatening to withdraw its peacekeepers, the prolonged dismemberment of Bosnia is moving into its endgame. Washington cannot, especially at this late date, unilaterally rescue Bosnia from its unhappy fate. Neither is it obliged to lean on the Bosnians to accept Serbian terms in order to end the fighting.

But what the Clinton administration can and must do is stop trying to please everybody at once and instead begin talking bluntly and honestly — to the Bosnians, the Serbs, the allies and the American people. That is something that the administration has so far spectacularly failed to do. The last few days have been the worst, as the White House, the State Department and the Pentagon spoke with three discordant voices.

The administration must begin by making sure the Bosnian government is under no illusion that NATO, the United States or the Republican Party is going to rescue them from the militarily superior Serbian forces. If the Bosnians prefer to keep fighting rather than freeze current front lines in place, that is their right, but they will fight alone. There does not even seem to be much realistic hope that the United States can get the international arms embargo lifted to equalize the sides, although Washington should keep trying.

To the Serbs, the administration should make plain that it will not go along with its allies in rewarding their attacks on civilian centers with new territorial concessions and further easing of UN economic sanctions. Washington probably cannot do anything to stop Europe's diplomacy of appeasement, but it can and should veto further rewards to the Serbs in the United Nations, other than as part of a package deal to lift the Bosnian arms embargo.

To NATO, Washington should continue emphasizing that it will not let

differences over Bosnia interfere with larger common objectives. But recognizing that there is no NATO consensus over Bosnia does not require surrendering American principles and interests to forge a false consensus, as the administration seems inclined to do.

Washington is still formally committed to contributing ground troops to monitor a just and voluntary peace. It should make plain that no American troops will be available to enforce the peace plan that Britain and France seem intent on imposing on Bosnia. Should the administration be so foolish as to persist down the road that London and Paris are charting, the new Republican-dominated Congress should and probably will force it to reverse course, at considerable political and diplomatic cost.

To the American people, the administration would do well to acknowledge that with Europe no longer divided into nuclear-armed blocs, the United States is not obliged to intervene in every conflict. Truly horrible crimes have been committed in Bosnia, mostly by the Serbs. But no compelling American security interests could have justified sending U.S. ground troops or overriding the preference of the European Union not to resist the Serbian advance.

Even with no U.S. troops on the ground, Washington had a right and a duty to speak out. As the main military contributor to NATO and Europe's favorite candidate for enforcing any Bosnian peace settlement, America could not afford to let others make decisions on its behalf. It still cannot.

The diplomatic endgame in Bosnia is likely to be as messy and amoral as what has been going on for the past three years. America's substantive role in these events, while not glorious, has been more honorable than that of most other countries. The best way to maintain that honor now is to summon the will to speak the painful truth to friend, foe and the American people.

—THE NEW YORK TIMES.

## Now to Reinvent Rwanda

The West, or the part of it ready to take up the daunting task, had three choices in calculating how to put post-slaughter Rwanda back together. It could bring its hands — which is tempting, when you look at the problems, but a bad idea. It could associate itself with the Hutu government in exile (in Zaire), which speaks for a Rwandan majority but which is forever tainted by the killings — another bad idea. Or it could support the untested minority-Tutsi military government set up by the winners of the war. This was the choice, made more by Washington, less by Paris. It was somewhat arbitrary, but no other choice could have been made.

Rwanda emerged from the slaughter with a half-million or more of its citizens dead and millions exiled or otherwise uprooted, and with its economy and civil structures simply gone. Now it has a struggling military-appointed government. Neither the president nor the prime minister is a Tutsi, and the latter, an earnest Montreal-educated businessman named Faustin Twagiramungu, who has just been in Washington, is no fanatic, but an opposition figure who is no apologist for the Rwanda Patriotic Front.

There is no consensus yet on whether Hutu-Tutsi reconciliation is possible and how it might best be pursued. International peacekeepers to secure the camps in

Zaire and escort refugees home seem essential, and remote. At 15 percent before the carnage, Tutsis may now be barely half that: a narrow base that makes the Patriotic Front hesitate at the notion of elections.

How does one reinvent Rwanda? In Washington, Mr. Twagiramungu did the deal that will make up the \$9 million in arrears owed the World Bank and unlock \$150 million or more in project assistance and credits. The United States on its own is presenting an early \$12 million aid package. One item is a half-million dollars for an international war crimes tribunal, although early trials could run up against the hate and fear still at large in the land. Washington set a useful example by sending an ambassador back after the war and by sponsoring the war-crimes and other human rights initiatives. If the French can loosen up a bit, the European Union, a major provider of emergency aid, has development money ready for Rwanda, too.

Call all this peanuts. It is not unrelated to Rwanda's absorption capacity and to the small scale of Western attention to Africa as a whole. Americans have only a slight bilateral interest in Rwanda, but a country that has the devastation it has can be ignored only at the common shame.

—THE WASHINGTON POST.

## Other Comment

### China Like Everyone Else

What is it about China that leads otherwise intelligent people to suspend their critical faculties? Voltaire, echoing a fascination with China provoked by the idealized dispatches of early Jesuit missionaries, saw in Emperor Qianlong the philosopher-king Europe never had. With more tragic results, the secular acolytes of Chairman Mao centuries later would write even more fantastic reports about the splendors of his new China, this while the Cultural Revolution was in high fever. More recently the enthusiasm has moved in the opposite direction, with China a sort of economic Shangri-la where the basic laws of commerce, contracts, property rights, the rule of law — are suspended and profits are had by tossing in ever higher sums of money.

All this looks set to change yet again. The world is undergoing one of its periodic reassessments of China, and even its most ardent champions are having second thoughts. During a recent meeting in Beijing, Prime Minister Li Peng told members of the board of Dow Jones & Co. that China's new stock markets in Shanghai and Shenzhen remain "experimental." There is no surer prescription

for instability than the uncertainty such arbitrariness breeds.

China has made enormous progress since Deng Xiaoping first threw open its door, and the eagerness of outsiders to participate in the building of a confident and prosperous China attests to the wisdom of that decision. Sustaining this progress, however, will depend on China's own recognition that it is ultimately subject to the same rules and principles that apply everywhere else.

—Far Eastern Economic Review (Hong Kong).

### Nationalism in Norway

The Norwegian "no" vote to the European Union, and the campaign leading up to it, have brought to the surface long submerged myths of Norway's uniqueness and individualism. The motley coalition of parties and movements which opposed joining the EU managed to win this time by appealing to such nationalistic mythology. It is to be hoped that Norway will not be led down the path of mythological nationalist isolationism. That danger remains, despite all the assurances of the country's international solidarity and commitment to NATO.

—Neue Zürcher Zeitung (Zurich).

## Don't Blame UN Personnel for the Bosnia Failures

By William Shawcross

HONG KONG — The fashionable campaign of vitriolic abuse against Lieutenant General Michael Rose, particularly from American newspaper columnists, politicians and diplomats, is hypocritical and absurd.

The columnist William Safire (*IHT Opinion*, Nov. 29) calls him "the reincarnation of Neville Chamberlain" and criticizes his "repugnance at 'war-making' when UN heavens become war zones."

Such invective, widely whispered by Washington policymakers, deflects attention from the politicians who made the decisions that General Rose is forced to try to implement. It also tries once again to make "the United Nations" the whipping boy for the catastrophe of Bihać in particular, Bosnia in general.

Thus Mr. Safire writes that Bihać "has rendered the posers and pontificators of the United Nations helpless and contemptible." And so? Well, he states that the United States can now reduce its contribution to the United Nations to about 10 percent of the UN budget, from the current 30 percent or so. How convenient.

General Rose's predicament, like that of the entire UN mission in former Yugoslavia, is not of his own making. It is the result of deliberate decisions made by members of the Security Council, in particular the United States, France, Britain and Russia, and imposed on the United Nations' peacekeepers.

General Rose's critics might ask with what he was supposed to "make" the war they call for. The badly named UN Protection Force in former Yugoslavia is armed very lightly — at best, for limited self-defense. The Bangladeshis

in Bihać haven't even had enough rifles to go around. Moreover, as is obvious at this very moment, UN forces have always been potential if not actual hostages in Bosnia.

The West has never defined a political objective for former Yugoslavia. The country was dissolved on conflicting principles — that the borders of its for-

### The West has never defined a political objective for former Yugoslavia.

mer republics would now be international borders, and secondly that the new states had the right of national self-determination. This obvious conflict led to war and the subsequent problems of the UN force.

The goal of all political leaders in former Yugoslavia has been international recognition of new borders. So everything the UN force does plays into the hands of one or other of the parties.

The UN force was established to protect the humanitarian relief programs run by the UN High Commissioner for Refugees. It has undoubtedly saved hundreds of thousands of lives and alleviated much misery. But its second effect has been — as with so many relief operations — to reinforce the war parties and extend the war.

To succeed in humanitarian operations, the UN force had to be seen as impartial, its armed force just the protective exten-

sion of the assistance operation. The "safe area" concept, established in Security Council Resolutions 824 and 836, made this almost impossible.

The disaster of Bihać is the result of the UN force trying both to threaten force in defense of the safe areas and to support humanitarian operations.

In June 1993, when Resolution 836 was being debated, senior UN officials warned members of the Security Council that the resolution would make the UN force the theoretical protector of one of the warring parties, the Bosnians. And yet it would not have the practical means to extend that protection.

The UN force said it would require an additional 32,000 troops to be able to protect the safe havens. Unlike the Golan Heights, where the UN forces are interposed between the parties, these areas were completely surrounded — by Serbian forces. The request for such reinforcements was rejected out of hand by the co-sponsors of the resolution.

Instead, governments gave themselves an excuse. If you look closely, Resolution 836 is a monumental exercise in hypocrisy. Members of the Security Council specifically chose the words "to deter attacks" against the safe areas rather than "to defend" them, and "to promote withdrawal" rather than "to ensure or enforce" it.

In other words, the resolution means far less than many Bosnians believed. That way, governments argued that the UN force did not really need to take on extra troops. Realistic, perhaps.

Yet now their officials abuse the UN force for failure to defend areas that they never were prepared to enable it to de-

fend. That is not realism but dishonesty. There were other problems. Except for Zepa and Srebrenica, the physical boundaries of the safe areas were never drawn on the map.

And definitions differed. To the Serbs, the term "safe area" meant a demilitarized zone, as with Srebrenica, where the Bosnians handed in their weapons as a condition for Serbian withdrawal.

But Resolution 836 did not call for demilitarization of other safe areas. The Bosnians refused to give up their weapons — and, endangering their own civilians, have used Bihać and other safe areas as launching pads for attacks. Their lunge out of Bihać led to this most recent Serbian counterattack.

It seems evident that the present debacle has seriously damaged the United Nations and NATO. An early, aggressive response to the Serbian onslaught in 1991, as Margaret Thatcher urged, would almost certainly have been more effective than the shilly-shallying of all governments. But it is absurd cant to blame today's debacle on the UN officials, high or low, who have risked their lives to try to carry out contradictory resolutions which they were never given the means to fulfill. American officials, and laptop generals in the press, are using General Rose and the United Nations as convenient whipping boys. It is an ignoble and crass diversion which prevents helpful lessons from being learned from the disaster.

The writer, author of "Sideshow: Kissinger, Nixon and the Destruction of Cambodia" and "The Shah's Last Ride," contributed this comment to the *Herald Tribune*.

## The Shame Began With George Bush's Decision to Do Nothing

By Anthony Lewis

BOSTON — Anyone who did not grasp the meaning of what is happening in Bosnia need only have looked at the newspaper picture this week of a Bosnian government soldier taken prisoner by the Serbs at Bihać. They made him wear a Nazi mocking his religion, as the Nazis made Jews wear a yellow star.

How did it happen that, 50 years after the Nazis, human beings are being humiliated and killed in Europe because of their religion? All of us in what we like to think of as the civilized West share the shame.

The crucial moment came after Yugoslavia began to split apart in 1991. Slobodan Milosevic of Serbia sent the federal army into Croatia, destroying Vukovar as totally as the Romans did Carthage. What would the great Western alliance do about this menacing violation of Europe's peace?

President George Bush, the

leader of the alliance, made the decision: to do nothing. Why he was so craven remains a mystery. He had just come out of the Gulf War a hero, the man who said Iraq's aggression "will not stand" and acted on that vow.

The fall of Prime Minister Margaret Thatcher may well have made the difference. She had goaded him to action against Iraq, saying, "Don't go all wobbly on us, George." Her successor, John Major, had less spine.

In 1992 the Serbs began their onslaught on Bosnia, the first explicit religious-nationalist aggression in Europe since the Nazis. They drove 2 million Bosnians from their homes and killed hundreds of thousands. They burned villages and blew up mosques.

The Western alliance still responded with inaction. In fact it was worse than inaction. Western countries recognized Bosnia

but then enforced an arms embargo that denied it the means to defend itself.

Worse still — far worse — the West led the victims to believe that it would come to their rescue. That was only to be expected, the West having left them defenseless against a cruel aggression. But no gallant rescuers appeared.

Instead, NATO shucked the problem off to the United Nations. A UN Protection Force was sent to Bosnia to get relief to areas besieged by the Serbs. But the force became a plaything of the Serbs; it cringingly followed orders of Serbian commanders.

The UN force commander, Lieutenant General Michael Rose, is a symbol of the sellout. On television this week he spoke of the wonders he had done for Bosnia — among other things, saving Gorazde from Serbian as-

sault. In fact he long resisted doing anything about Gorazde. And he has done little but whimper in recent days as the Serbs have taken hundreds of his men as hostages.

The one time the Serbs really backed off was when the marketplace massacre in Sarajevo shamed the West into a meaningful threat of bombing. The Serbs believed it. After that, right through the Bihać disaster, General Rose and others blocked the use of meaningful air power.

The British and French were the blockers. Britain especially; its performance in the destruction of Bosnia has brought back to life perfidious Albion.

The Clinton administration has done its part in the disaster, too. Its huffing and puffing prolonged the pretense that someone might actually rescue Bosnia — prolonged the agony. President Bill Clinton did not have

the will to lead the alliance to a genuine resistance against the Serbian aggression.

Now it is time for the charade to end. The West has only two honorable courses: (1) Get the UN force out, despite all the risk that entails for trapped Bosnians this winter, and undertake systematic bombing of Bosnian Serb military installations; or (2) let the Bosnians that we are not going to lead them on anymore, they have to settle for what they can get, and we shall then help to make their rump country viable.

It is an appalling choice. But that is what has been left to the West by the weakness that began with George Bush's decision to do nothing.

"This should have been dealt with two years ago," Margaret Thatcher said this week. That it was not may prove to be the undoing of much more than Bosnia.

—The New York Times.

## If Nato Won't Save Bosnia, Why Would It Save Central Europeans?

By Stephen S. Rosenfeld

WASHINGTON — A question about NATO: If the house is burning down, as appears to many to be the case after the alliance's humbling in Yugoslavia, then why are others from Central Europe still clamoring to get in?

Because, of course, Central Europeans, sitting in a historically stressful neighborhood, do not have the luxury of ignoring that they must do whatever they can to improve their future security, even if the prospects at any given moment do not look so rosy.

They can see more clearly than Americans that one of the two large possibilities for the post-Cold War retelling of NATO — keeping the peace and maintaining stability throughout Europe — has been severely discredited in Yugoslavia.

Unfortunately, the other possibility, which is reinforcing demo-

cratic tendencies in Central Europe by bringing new states into the club of Atlantic democracies, has also been badly shaken.

Consider that successive American administrations of different parties determined that the United States had no vital interest that required it to put ground troops into Bosnia in the relatively safe role of peacekeepers.

Then how could anyone expect a future administration to find a vital interest in putting troops into another state of the region in the event of tension or conflict? And, presumptively, against a much more potent counterweight, Russia rather than Serbia?

Let there be no confusion about this hypothetical. NATO membership means near automatic military aid when you are in trouble. If you are not guaran-

teed aid, you are not in the club. If you are not guaranteed aid, then an aggressor could always figure he might get away with crowding you or taking a free bite — the definition of instability.

This fact creates, in the present period of diminishing American overseas commitments, a wicked irony. If NATO were a less serious organization, then it might more casually add to its membership. But the certainty that adding a member equates with providing an ironclad security guarantee may now reduce the American taste for extending membership.

The result is a political dilemma. If NATO finally is to offer new security guarantees, then the whole discussion about the terms of extending membership becomes a cruel joke. It is a

path that no responsible state, either the provider or the recipient of a guarantee, would want to start down unless it knew at the beginning how it would come out at the end.

This dilemma was latent before NATO's experience in Bosnia revealed for all to see the Western hesitation to make security commitments on new terrain.

Now the dilemma is real: for a year or more, and to this very day, NATO has been moving toward a position that, if the alliance is "successful," will bring it up against a wall. The West's dedication to integrating the new Europe and deepening the roots of Central European democracy eventually collides with its reluctance to provide new security guarantees.

In the glow of the collapse of the Berlin Wall, it was easy to succumb to a vision of a Europe moving ever more confidently into a pattern of mutual respect among democratic states, large and small. Yugoslavia woke most people up. Unfortunately, Europe's ethnic and regional pulls are not confined to Yugoslavia.

If NATO cannot succeed in tucking in other mature new states, then it becomes progressively harder to explain why there should be any more concern about NATO than there is about, for instance, the Rio treaty.

The record of American and Western governments in Bosnia — hinting at deeds of rescue which were never, or never adequately, performed — makes candor about the future of NATO essential at this time.

Enlargement must be pursued

with open eyes. Its advocates have to make the best case that not just American sentimental interests but American security interests are involved.

Meanwhile, other paths must simultaneously be explored. These only begin with the alphabet soup of military/political organizations covering Europe. They go on to the incipient reappearance of a 19th century European political dialogue on a balance-of-power theme. They must fold in a new 20th century dialogue engaging America and Russia but avoiding reflexes of Cold War competitiveness and pushy nationalism.

It is hard and it will take time to build a united Europe. The guiding word should be: no more deception of others or of yourself.

—The Washington Post.

### What Does Europe Want?

When the Soviet Union began the Berlin blockade in 1948, many in the United States did not believe that rescuing a recent enemy's ruined capital was in the American interest. But the blockade and the ensuing airlift helped force a larger question. NATO was founded in the following year. The Balkans war is the Berlin blockade of the post-Cold War era.

If Western Europe intends to assume a measure of responsibility for security in Eastern Europe, a role for the United States [can be] imagined. When the question of NATO is posed in this way, the legitimacy of the Balkans war as a forcing of the question is obvious. Americans wonder what Western Europe really wants.

—Los Angeles Times.

## Not Much GATT Cheer in Brooklyn

By Bob Herbert

NEW YORK — The Uruguay Round GATT agreement will tear a large hole in the U.S. federal budget. But this breach of the budget is not considered a major problem by government leaders in Washington, because the new GATT agreement will be a bonanza for big business. And that is something favored by Democrats and Republicans alike.

When benefits for working people or the poor are involved, the budget deficit is seen as an insurmountable problem. There is no money for investments in ordinary Americans. But the specter of \$42 billion in lost tariff revenues over the next decade is met with a shrug by the movers and shakers in Congress and the White House. As long as it's for business — well, then, that's all right.

Brownsville, a desolate and mostly forgotten neighborhood in Brooklyn, is light-years from Washington. Its residents will never be mistaken for the Champagne-drinking, limousine-riding lobbyists who have been swarming all over Capitol Hill in a gaudy display of corporate muscle on behalf of GATT.

A glimpse of this crippled neighborhood was provided in Senate testimony last spring by Anne Kohler, who runs a soup kitchen in a tiny storefront that once housed a bakery.

"Our clients consist of the working poor, single mothers with children, long-term unemployed single men (part of the

blue-collar work force, where many jobs have disappeared), married families with children, senior citizens, the mentally ill, the disabled and the handicapped; some are illiterate; some are college-educated. Some are chemically dependent, and some worked all of their lives only to find that in old age the safety net has begun to crumble beneath their feet."

What these soup kitchen clients have in common is an economic predicament so dire that they cannot be sure from one day to the next that they will eat. This is not easily understood by congressmen, senators and presidents who have trouble buttoning their jackets over their ample midsections. Hunger is alien to them.

Ms. Kohler's soup kitchen is called Neighbors Together and is the second-largest in Brooklyn. It serves a simple lunch (canned meat, a starch, canned vegetables) to 500 people a day, five days a week.

"I think most people are unaware of the tremendous poverty that exists in this country," said Ms. Kohler during an interview last Monday. "I see the suffering in the eyes of these people. Some of them are frail and old. There are women who are retarded. They can't work. I get sick to my stomach when I hear the stereotypes about how lazy the poor are, how

they're living such great lives at the taxpayers' expense."

One evening she took a boy from a desperately poor family home to spend the night with her and her husband in a different part of Brooklyn. "I told him he could sleep on the sofa, or on a makeshift bed on the floor, beside our bed. A stricken look crossed the boy's face. 'Do you have mice?'" he asked.

GATT is about power, money and influence. Brownsville is about survival. Some of the very same government officials who have gone to the mat for GATT are also trying to cut the food stamp allotments of the poor. If there is equity in that kind of governing — not to mention a sense of humanity — Ms. Kohler has been unable to find it.

"Food stamps!" she cried, her eyes angry. "Can you believe they want to cut food stamps? A monthly allotment of food stamps provides about 88 cents per meal. I'll take you shopping and you see if you can buy a meal for 88 cents. Now they're going to give them less!"

The fine restaurants of the nation's capital were heavily booked for Thursday night as corporate representatives prepared to celebrate the Uruguay Round's final passage. If the Senate gave the thumbs up, there would be toasts and laughter and triumphant applause, the kind of exuberance that accompanies a sudden acceleration of wealth and worth.

—The New York Times.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1894: Slow Recovery

NEW YORK — Business men are made weary and discouraged by the slowness of the improvement in trade. The bankers are unable to lend money and are getting blue. On the strength of the absorption of nearly sixty millions by the Government loan, they tried to advance rates to 2 percent, but failed. The *Financial Chronicle* says that Congress, by authorizing a popular loan, could promote an industrial revival.

### 1919: Fate of the Treaty

WASHINGTON — The opening session of Congress brought nothing forth to indicate the fate of the Peace Treaty. Both sides are up in the air, the Republicans taking the cue from the statement of Senator Lodge yesterday (Dec. 1) that the Treaty must be Americanized before it is ratified by the

Senate. Republicans hinted that if the situation has not been cleared up by the middle of the month they will bring up the Lodge resolution declaring war with Germany ended. The Republicans would be glad to have peace before the Christmas recess.

### 1944: Nazi Rocket Plane

LONDON — [From our New York edition:] Germany has two super-speed fighter planes operating over the western front, one of them the rocket propelled interceptor, ME-163, is capable of flying up to 600 miles an hour. Allied Air sources disclosed today (Dec. 2). The other high-speed fighter is the jet-propelled, twin-engine ME-262, capable of flying from 450 to 500 miles an hour. Forty-one enemy ships of this type were destroyed recently by American fighter planes in a strafing attack at Pipheim.



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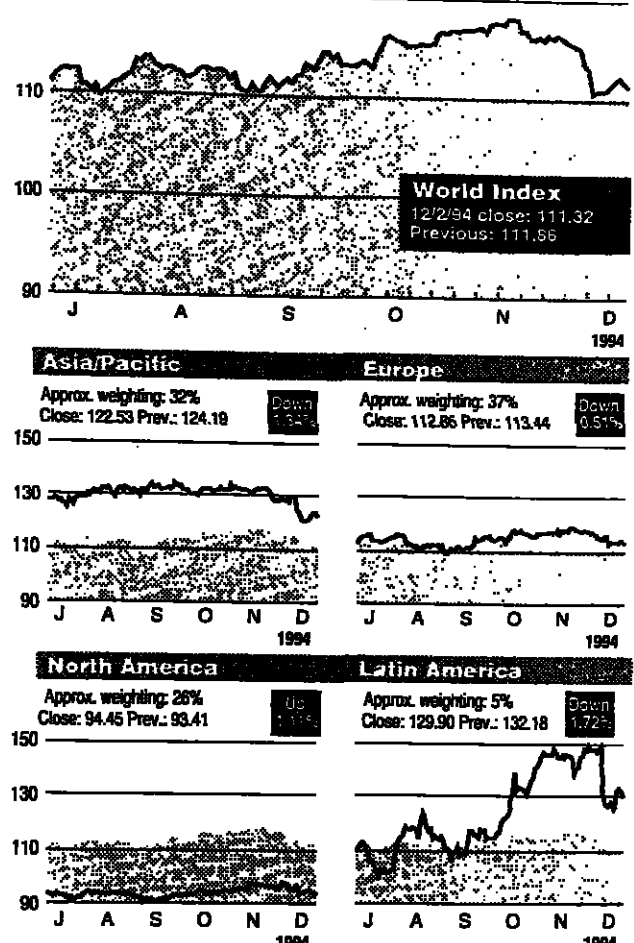
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Industrial Sectors						
	PL close	Prev. close	% change		PL close	Prev. close
Energy	112.04	111.97	+0.06	Capital Goods	112.19	111.47
Utilities	122.57	124.24	-1.34	Raw Materials	128.11	128.57
Finance	111.84	112.91	-0.95	Consumer Goods	102.71	102.52
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## Seoul, in Shift, Backs Samsung's Automaking Plan

By Steven Brill

SEOUL — Marking a milestone in the deregulation of South Korea's domestic markets, the government signaled Friday that it would allow the Samsung group, South Korea's most powerful conglomerate, to enter the automobile business.

Although Samsung has had the legal authority to enter the automobile assembly business since the late 1980s, the government had blocked its application since last year because of opposition from rival automakers and Trade Ministry officials.

Samsung's plans remain sketchy, but analysts said it intended to concentrate on exports. That is likely to annoy foreign automakers, which despite vociferous complaints and modest market-opening responses, remain largely excluded from the South Korean market, Asia's second biggest. Cars made in Japan are banned.

Samsung's entry also would augment, if not accelerate, plans of other South Korean automakers to invest billions of dollars through the rest of the decade to increase production capacity to 5 million units, of which 60 percent would be exports.

South Korea exports are targeted mainly at developing countries, where there is strong demand for inexpensive cars. But companies are also investing in new models and dealer networks in the United States and Europe.

They feared that more competition would undermine an industry seen as key to South Korea's economic prosperity. That concern was heightened by Samsung's aborted attempt to take over Kia Motors Corp., the only nonconglomerate among South Korea's automakers.

Government officials also were worried about a public backlash over aiding the expansion of Samsung, the biggest of

See SAMSUNG, Page 10

## Bond Rally Sends Stocks Higher

Compiled by Our Staff From Dispatches

NEW YORK — Stocks rose Friday, and blue-chips soared, on the back of a sharp drop in long-term bond interest rates.

No doubt this economy is going to be rolling along for the next couple years," said James Fay, a money manager at Freedom Investors Corp. in Pewaukee, Wisconsin, which manages the Frontier Equity fund.

"We're going to see record corporate profit growth occurring."

The Dow Jones industrial average ended up 44.75 points, at 3,745.62. Advancing issues on the Big Board outnumbered decliners by 13-to-8 on moderate trading.

The bond market reacted joyously to marked drops in commodity prices and a government report showing a 2-cent drop in the average hourly wage and a shorter workweek.

The price of the benchmark 30-year Treasury bond closed up 1 5/32, at 95 11/32, in New York, reducing the yield to 7.91 percent from 8.02 Thursday.

The Labor Department report also fueled optimism about the economy by showing that 350,000 jobs were added last month and that the unemployment rate fell to a four-year low of 5.6 percent, exceeding most analysts' projections.

Stocks also cheered the report, which found no sign of imminent inflation despite a four-year low in the unemployment

rate. Traders said computerized trading led the advance, kicking in in early afternoon to drive up blue-chip indices ever higher until the close.

"The economy doesn't appear to be grinding down to a halt," said Alan Ackerman, market analyst at Reich & Co., "and that's good for the earnings outlook."

Shares of electric utility companies rose amid speculation that interest rates would not

rise much further. Higher rates hurt utilities by making their dividends less attractive and raising their borrowing costs.

"If you're looking at a leveling off of interest rates, it's O.K. to play in utilities," said Bill Langevin, manager of institutional trading at Morgan Keegan Inc. in Memphis, Tennessee.

The Dow Jones utilities average spurted 2.37, to 179.41. Detroit Edison Co. jumped 1/4, to 26 1/2, and Consolidated Edison

Co. of New York rose 1/4 to 25 1/2. Wal-Mart was the most heavily traded stock, closing unchanged, as retailing stocks remain in the spotlight as the holiday shopping season gets under way.

Computer stocks were mixed, with Compaq rising 1 1/4, to 39 1/4, Dell up 1 1/4, to 41 1/4, and Sun Microsystems jumping 1 1/4, to 32 1/4. But Intel slipped 1/16, to 62 9/16. Dell was recovering from the sharp drop it suffered Thursday when CS First Boston downgraded the stock over concerns about defects in Intel's new Pentium chips.

In software offerings, Lotus rose 1/4, to 44 1/4, but Microsoft fell 1/16, to 51 1/4. Software Corp. skidded 4 1/4, to 11 1/4 after it said third-quarter earnings fell to 17 cents a share, from 19 cents a year earlier.

Chrysler rose 1/4, to 48 1/4, after it said it would increase its dividend 60 percent, launch a \$1 billion stock buyback program and relaxed shareholder rights in response to demands by the investor Kirk Kerkorian, who owns 9 percent of the company.

ITT Corp. rallied 3 1/4, to 80 1/4. PaineWebber Inc. rated the conglomerate, whose businesses include insurance, auto parts and paper and forest products, a "buy."

Best Buy rose 1/4 to 33 1/4, recovering from a plunge of 1 1/4 on Thursday, when the

See STOCKS, Page 10

## Japanese Economy Spurts

Compiled by Our Staff From Dispatches

TOKYO — Japan's economy expanded 0.9 percent in the July-September quarter, the government said Friday, in a new sign that the world's second-largest economy may be getting back on track.

The 3.7 percent annual rate growth reflected increases in capital investment and consumer spending as well as continued expansion in housing investment, the Economic Planning Agency said.

It followed a revised 0.2 percent increase in the previous quarter, leading the agency to predict a "full-scale recovery" by March.

Private economists were more cautious, saying the fast pace of expansion may not last and that structural drags on the economy, including mountains of bad debt, could dampen recovery.

Takatoshi Tanaka, a planning agency vice president, said consumer spending grew 1.1 percent during the latest quarter, thanks to a one-year income tax cut in June as well as a summer heat wave. The record heat triggered a surge in spending on everything from beer to beach wear.

Mr. Tanaka said corporate capital spending rose 0.5 percent in the quarter, the first increase in three years. It fell 2.1 percent in the previous quarter.

He said it remained difficult to predict how strongly the Japanese economy would grow, noting that the yen's strength and the pace of growth in spending by companies, known as capital outlays, must both be watched. (AP, AFP, Bloomberg, Reuters)

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## Merrill Lynch to Bail Out Orange County on Derivatives Loss

By Lawrence Malkin

NEW YORK — Merrill Lynch & Co. announced Friday that it was lending Orange County, California, about \$2 billion to help it ride out its losses from one of the biggest U.S. derivative deals to go sour so far.

Merrill Lynch noted that it had been dealing with Orange County for 20 years and that the county had a \$2.5 billion line of credit. The current loan, designed to permit the county to weather its unprofitable investment in derivatives, will be secured by investment-grade securities, Merrill Lynch said.

The county will pay the interest, and Merrill

Lynch does not anticipate any losses on the deal, its officials said.

Robert L. Citron, treasurer of the county south of Los Angeles, announced Thursday that the investment fund he managed for the county and for many towns and public agencies in California had lost about 20 percent of its \$7.5 billion face value because of rising interest rates.

Mr. Citron was known for the aggressive strategy he employed by borrowing money to buy securities whose value is derived from underlying stocks, bonds and mortgages. These derivatives have been hit hard by rising interest rates, causing huge corporate losses.

Senator Alfonse M. D'Amato, the incoming Senate Banking Committee chairman, on Friday

called for increased scrutiny of derivatives regulation and said he would hold hearings on the matter, Reuters reported.

[Separately, Bloomberg Business News quoted Richard Roberts of the Securities and Exchange Commission as saying the SEC was "looking into" Orange County's brokerage transactions.]

Betsy Dotson, assistant director of federal liaison at the Government Finance Officers' Association in Washington, said there was no current information available about state and local government use of derivatives. But she said she doubted that it was widespread.

A General Accounting Office study said that in 1992 only 4 percent of local and 17 percent of state governments used derivatives.

Earlier, Leslie Wayne of The New York Times reported:

Orange County is one of hundreds of municipalities, mutual funds, colleges and corporations that tried to increase their investment returns by buying securities that were, in effect, high-risk bets on the direction of interest rates.

The \$20 billion Orange County fund included about \$8 billion in reserve money for future needs from more than 180 municipalities in California and \$12 billion in borrowed funds.

Mr. Citron took about \$8 billion in the money of these municipalities, borrowed \$12 billion more and used it to buy a wide variety of securities that go by the name of floating-rate derivatives and reverse repurchase agreements.

### ECONOMIC SCENE

## Blue Collars Become Scarce

By Sylvia Nasar

NEW YORK — By all accounts, Americans are more overworked than ever. Unemployment has dipped below 6 percent, overtime is at a record high, and many workers are holding down more than one job. So why are so many men — healthy men in the prime of life — working less than ever before?

Even as the powerful American job machine has churned out tens of millions of new jobs in the last two decades, recent studies disclose that men older than college age and younger than the usual retirement age of the early to mid-60s are working much less than men did 10 or 20 years ago. A rising proportion are neither working nor looking for work.

The most stunning change is the shrinking share of men who serve as traditional breadwinners — the male who works full time, year-round, year in and year out.

Among young and middle-aged men, the percentage performing that basic family role has dropped sharply. In the 1970s almost 80 percent of men from 22 to 58 worked full time for at least eight of the 10 years.

But during the 1980s, that proportion dropped to 70 percent.

Men's experience stands in sharp contrast to that of women, who are working more and at higher pay.

As America's economy increasingly focuses on advanced services and high technology, the growth in jobs that blue-collar men traditionally held has not kept up with the growth in the working-age population.

Adjusted for inflation, the wages and bene-

fits such men can command have plunged by as much as one-fifth since the late 1970s.

The result? These men are not, as popular wisdom would have it, generally working more to make up the lost pay. Instead, as the rewards of working have shrunk, most are working less.

"It's the Achilles' heel in the American job success story," said Richard Freeman, a labor economist at Harvard and editor of a book of articles, "Working Under Different Rules."

The decline in work among men has worrisome implications.

All too often, the only available alternatives to steady, full-time work are off-the-books employment or even crime. The young and poorly educated, — the same demographic group that is working less and whose opportunities and pay have contracted — is the group most likely to get into serious trouble.

Indeed, the number of men in prison, on parole or on probation now exceeds the number counted as unemployed. In 1993, according to government data, there were 4.6 million adult men under state supervision, compared with 4.2 million looking for work.

"The equivalent of the long-term European unemployed who are on the dole is the U.S. prison population," Mr. Freeman said. "They give them welfare and we put them in prison with free housing, food and TV. We haven't escaped the problem."

The decline of work among men is not limited to the United States. European men are working less, too.

In contrast to the European situation, how-

See EMPLOYMENT, Page 11

## Iberia Pilots Will Renew Negotiations

MADRID — Pilots employed by Iberia, Spain's national airline, will renew negotiations with management Monday on a cost-cutting plan aimed at averting the carrier's bankruptcy and paving the way for a \$1 billion government bailout.

The pilots met for four hours Friday to decide whether to join the accord reached Monday with most of Iberia's employees. The agreement, which ended a wildcat strike Monday, calls for cutting as many as 3,500 jobs and slashing salaries by between 3 percent and 15 percent.

The pilots balked at the package Thursday, prompting the airline to threaten to proceed with an emergency plan that would mean laying off 20 percent of the work force and selling the flag carrier's more attractive assets.

But on Friday, a representative of the pilots' union insisted the talks had never broken off.

Iberia needs the support of all its workers for its viability plan before it can seek the European Commission's authorization for a \$1 billion government bailout.

Javier Salas, the chairman of Iberia, said he had no idea what the pilots would seek to negotiate. (Reuters, Bloomberg)

### CURRENCY & INTEREST RATES

Cross Rates										Eurocurrency Deposits										Dec 2			
		D.M.		F.F.		L.F.		B.F.		Y.F.		S.F.		D.M.		S.F.		S.F.		Y.F.		ECU	
		1.0000		1.0000		1.0000		1.0000		1.0000		1.0000		1.0000		1.0000		1.0000		1.0000		1.0000	
American \$	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
British £	1.6667	1.6667	1.6667	1.6667	1.6667	1.6667	1.6667	1.6667	1.6667	1.6667	1.6667	1.6667	1.6667	1.6667	1.6667	1.6667	1.6667	1.6667	1.6667	1.6667	1.6667	1.6667	
French F	6.5596	6.5596	6.5596	6.5596	6.5596	6.5596	6.5596	6.5596	6.5596	6.5596	6.5596	6.5596	6.5596	6.5596	6.5596	6.5596	6.5596	6.5596	6.5596	6.5596	6.5596	6.5596	
German M	3.3636	3.3636	3.3636	3.3636	3.3636	3.3636	3.3636	3.3636	3.3636	3.3636	3.3636	3.3636	3.3636	3.3636	3.3636	3.3636	3.3636	3.3636	3.3636	3.3636	3.3636	3.3636	
Italian L	2.3636	2.3636	2.3636	2.3636	2.3636	2.3636	2.3636	2.3636	2.3636	2.3636	2.3636	2.3636	2.3636	2.3636	2.3636	2.3636	2.3636	2.3636	2.3636	2.3636	2.3636	2.3636	
Japanese Y	163.64	163.64	163.64	163.64	163.64	163.64	163.64	163.64	163.64	163.64	163.64	163.64	163.64	163.64	163.64	163.64	163.64	163.64	163.64	163.64	163.64	163.64	
Spanish P	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	166.67	
Portuguese Esc	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	200.00	
Belgian B	36.36	36.36	36.36	36.36	36.36	36.36	36.36	36.36	36.36	36.36	36.36	36.36	36.36	36.36	36.36	36.36	36.36	36.36	36.36	36.36	36.36	36.36	
Dutch G	3.36	3.36	3.36	3.36	3.36	3.36	3.36	3.36	3.36	3.36	3.36	3.36	3.36	3.36	3.36	3.36	3.36	3.36	3.36	3.36	3.36	3.36	
Austrian S	13.76	13.76	13.76	13.76	13.76	13.76	13.76	13.76	13.76	13.76	13.76	13.76	13.76	13.76	13.76	13.76	13.76	13.76	13.76	13.76	13.76	13.76	
Swedish K	4.66	4.66	4.66	4.66	4.66	4.66	4.66	4.66	4.66	4.66	4.66	4.66	4.66	4.66	4.66	4.66	4.66	4.66	4.66	4.66	4.66	4.66	
Norwegian Kr	4.66	4.66	4.66	4.66	4.66	4.66	4.66	4.66	4.66	4.66	4.66	4.66	4.66	4.66	4.66	4.66	4.66	4.66	4.66	4.66	4.66	4.66	
Finland Mk	5.94	5.94	5.94	5.94	5.94	5.94	5.94	5.94	5.94	5.94	5.94	5.94	5.94	5.94	5.94	5.94	5.94	5.94	5.94	5.94	5.94	5.94	
Denmark L	6.46	6.46	6.46	6.46	6.46	6.46	6.46	6.46	6.46	6.46	6.46	6.46	6.46	6.46	6.46	6.46	6.46	6.46	6.46	6.46	6.46	6.46	
Irish P	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	
Greek Dr	34.08	34.08	34.08	34.08	34.08	34.08	34.08	34.08	34.08	34.08	34.08	34.08	34.08	34.08	34.08	34.08	34.08	34.08	34.08	34.08	34.08	34.08	
Turkish L	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Israeli N	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Israeli S	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Israeli D	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Israeli P	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Israeli L	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Israeli K	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Israeli J	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Israeli H	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Israeli G	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Israeli F	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Israeli E	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Israeli D	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Israeli C	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Israeli B	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Israeli A	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Israeli Z	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Israeli Y	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Israeli X	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Israeli W	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Israeli V	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Israeli U	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Israeli T	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Israeli S	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Israeli R	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Israeli Q	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Israeli P	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Israeli O	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Israeli N	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Israeli M	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Israeli L	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Israeli K	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Israeli J	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Israeli I	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Israeli H	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Israeli G	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Israeli F	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Israeli E	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	
Israeli D	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36	1.36									



# MARKET DIARY

## Dollar Gets Rise Out of Jobs Data

Compiled by Our Staff From Dispatches

**NEW YORK** — The dollar rose against other major currencies Friday, posting its biggest one-day gain against the yen in three months after a government report showed the U.S. economy growing strongly with low inflation.

The catalyst for the rally was the government's employment report for November, which

### Foreign Exchange

showed the lowest jobless rate in more than four years, 5.5 percent, and the largest number of jobs created in five months. Avinash Persaud, head of currency research at J.P. Morgan, called the drop in the unemployment rate "genuinely startling."

The robust report, like others this week, confirmed investors' perceptions that the U.S. economy was growing strongly enough to force the Federal Reserve Board to raise rates to stop inflation before it got a foothold in the economy.

"This report is positive for the dollar," said Earl Johnson, foreign-exchange adviser at Harris Trust & Savings Bank in Chicago. "The Fed has plenty of reason to raise rates."

The dollar closed in New York at 100.605 yen, up from 99.345 yen Thursday, and at 1.5800 Deutsche marks, up from 1.5735.

The dollar rose to 1.3375 Swiss francs from 1.3295 francs, and to 5.4210 French francs from 5.3930 francs. The pound weakened to \$1.5610 from \$1.5665.

With U.S. interest rates rising, it is becoming more expensive for traders to bet against

the dollar by buying yen. Two-year interest rates in the United States stood at 7.43 percent Friday, compared with 2.86 percent in Japan.

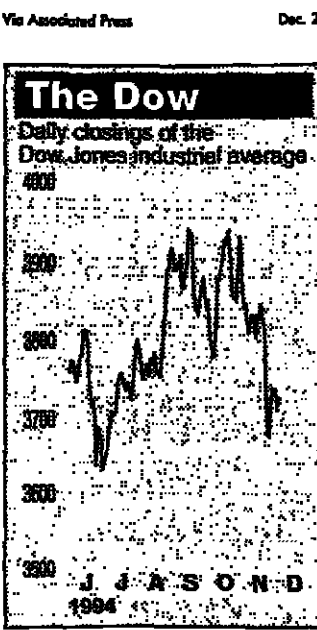
Some analysts said the interest rate differentials could swing further to the dollar's favor as soon as Dec. 20, when the Fed's policy-making Open Market Committee next meets. "All the red lights go on at the Fed when the unemployment rate gets this low," said Paul Farrell, manager of strategic currency trading at Chase Manhattan Bank. "We might see a rate increase as soon as this month."

Strength in the Treasury bond market also helped the dollar gain. Before Friday, bond prices had spent most of the week slumping, while the dollar remained on relatively firm footing. That made the turnaround in bond prices Friday all the more reason to buy dollars, analysts said.

"As people get more confident about the Fed, they get more confident with holding U.S. assets," said Michael Faust, international portfolio manager at Baird, Biehl & Kaiser in San Mateo, California. But some analysts said the dollar was destined to rise regardless of the performance of other U.S. markets.

"The dollar's decoupled from the performance of the domestic U.S. asset market," said John Nelson, managing director of global foreign exchange at Barclays Bank. "It's now much more sensitive to growth and higher interest rates than to flows of capital in and out of the U.S."

(Bloomberg, Reuters, APX)



**NYSE Most Active**

Vol.	High	Low	Last	Chg.
4890	29.50	29.25	29.50	+0.25
3500	29.50	29.25	29.50	+0.25
3500	29.50	29.25	29.50	+0.25
3500	29.50	29.25	29.50	+0.25
3500	29.50	29.25	29.50	+0.25
3500	29.50	29.25	29.50	+0.25
3500	29.50	29.25	29.50	+0.25
3500	29.50	29.25	29.50	+0.25
3500	29.50	29.25	29.50	+0.25
3500	29.50	29.25	29.50	+0.25

**NASDAQ Most Active**

Vol.	High	Low	Last	Chg.
4890	29.50	29.25	29.50	+0.25
3500	29.50	29.25	29.50	+0.25
3500	29.50	29.25	29.50	+0.25
3500	29.50	29.25	29.50	+0.25
3500	29.50	29.25	29.50	+0.25
3500	29.50	29.25	29.50	+0.25
3500	29.50	29.25	29.50	+0.25
3500	29.50	29.25	29.50	+0.25
3500	29.50	29.25	29.50	+0.25
3500	29.50	29.25	29.50	+0.25

**AMEX Most Active**

Vol.	High	Low	Last	Chg.
4890	29.50	29.25	29.50	+0.25
3500	29.50	29.25	29.50	+0.25
3500	29.50	29.25	29.50	+0.25
3500	29.50	29.25	29.50	+0.25
3500	29.50	29.25	29.50	+0.25
3500	29.50	29.25	29.50	+0.25
3500	29.50	29.25	29.50	+0.25
3500	29.50	29.25	29.50	+0.25
3500	29.50	29.25	29.50	+0.25
3500	29.50	29.25	29.50	+0.25

**Market Sales**

NYSE	AMEX	OTC
28,775	2,500	1,200
28,775	2,500	1,200
28,775	2,500	1,200
28,775	2,500	1,200
28,775	2,500	1,200
28,775	2,500	1,200
28,775	2,500	1,200
28,775	2,500	1,200
28,775	2,500	1,200

**Dow Jones Averages**

Open	High	Low	Last	Chg.
2991.52	3045.75	3000.44	3045.75	+44.25
1991.52	2045.75	2000.44	2045.75	+44.25
1191.52	1245.75	1200.44	1245.75	+44.25
1991.52	2045.75	2000.44	2045.75	+44.25
1191.52	1245.75	1200.44	1245.75	+44.25
1991.52	2045.75	2000.44	2045.75	+44.25
1191.52	1245.75	1200.44	1245.75	+44.25
1991.52	2045.75	2000.44	2045.75	+44.25
1191.52	1245.75	1200.44	1245.75	+44.25
1991.52	2045.75	2000.44	2045.75	+44.25

**Standard & Poor's Indexes**

Open	High	Low	Last	Chg.
589.52	594.75	584.44	594.75	+5.25
389.52	394.75	379.44	394.75	+5.25
189.52	194.75	179.44	194.75	+5.25
589.52	594.75	584.44	594.75	+5.25
389.52	394.75	379.44	394.75	+5.25
189.52	194.75	179.44	194.75	+5.25
589.52	594.75	584.44	594.75	+5.25
389.52	394.75	379.44	394.75	+5.25
189.52	194.75	179.44	194.75	+5.25
589.52	594.75	584.44	594.75	+5.25

**NYSE Indexes**

Open	High	Low	Last	Chg.
2891.52	2945.75	2846.44	2945.75	+54.25
1891.52	1945.75	1796.44	1945.75	+44.25
891.52	945.75	796.44	945.75	+44.25
2891.52	2945.75	2846.44	2945.75	+54.25
1891.52	1945.75	1796.44	1945.75	+44.25
891.52	945.75	796.44	945.75	+44.25
2891.52	2945.75	2846.44	2945.75	+54.25
1891.52	1945.75	1796.44	1945.75	+44.25
891.52	945.75	796.44	945.75	+44.25
2891.52	2945.75	2846.44	2945.75	+54.25

**NASDAQ Indexes**

Open	High	Low	Last	Chg.
2891.52	2945.75	2846.44	2945.75	+54.25
1891.52	1945.75	1796.44	1945.75	+44.25
891.52	945.75	796.44	945.75	+44.25
2891.52	2945.75	2846.44	2945.75	+54.25
1891.52	1945.75	1796.44	1945.75	+44.25
891.52	945.75	796.44	945.75	+44.25
2891.52	2945.75	2846.44	2945.75	+54.25
1891.52	1945.75	1796.44	1945.75	+44.25
891.52	945.75	796.44	945.75	+44.25
2891.52	2945.75	2846.44	2945.75	+54.25

**Dow Jones Bond Averages**

Open	High	Low	Last	Chg.
129.52	134.75	124.44	134.75	+5.25
119.52	124.75	109.44	124.75	+5.25
109.52	114.75	99.44	114.75	+5.25
129.52	134.75	124.44	134.75	+5.25
119.52	124.75	109.44	124.75	+5.25
109.52	114.75	99.44	114.75	+5.25
129.52	134.75	124.44	134.75	+5.25
119.52	124.75	109.44	124.75	+5.25
109.52	114.75	99.44	114.75	+5.25
129.52	134.75	124.44	134.75	+5.25

**AMEX Stock Index**

Open	High	Low	Last	Chg.
129.52	134.75	124.44	134.75	+5.25
119.52	124.75	109.44	124.75	+5.25
109.52	114.75	99.44	114.75	+5.25
129.52	134.75	124.44	134.75	+5.25
119.52	124.75	109.44	124.75	+5.25
109.52	114.75	99.44	114.75	+5.25
129.52	134.75	124.44	134.75	+5.25
119.52	124.75	109.44	124.75	+5.25
109.52	114.75	99.44	114.75	+5.25
129.52	134.75	124.44	134.75	+5.25

**NYSE Diary**

Open	High	Low	Last	Chg.
129.52	134.75	124.44	134.75	+5.25
119.52	124.75	109.44	124.75	+5.25
109.52	114.75	99.44	114.75	+5.25
129.52	134.75	124.44	134.75	+5.25
119.52	124.75	109.44	124.75	+5.25
109.52	114.75	99.44	114.75	+5.25
129.52	134.75	124.44	134.75	+5.25
119.52	124.75	109.44	124.75	+5.25
109.52	114.75	99.44	114.75	+5.25
129.52	134.75	124.44	134.75	+5.25

**NASDAQ Diary**

Open	High	Low	Last	Chg.
129.52	134.75	124.44	134.75	+5.25
119.52	124.75	109.44	124.75	+5.25
109.52	114.75	99.44	114.75	+5.25
129.52	134.75	124.44	134.75	+5.25
119.52	124.75	109.44	124.75	+5.25
109.52	114.75	99.44	114.75	+5.25
129.52	134.75	124.44	134.75	+5.25
119.52	124.75	109.44	124.75	+5.25
109.52	114.75	99.44	114.75	+5.25
129.52	134.75	124.44	134.75	+5.25

**Spot Commodities**

Open	High	Low	Last	Chg.
129.52	134.75	124.44	134.75	+5.25
119.52	124.75	109.44	124.75	+5.25
109.52	114.75	99.44	114.75	+5.25
129.52	134.75	124.44	134.75	+5.25
119.52	124.75	109.44	124.75	+5.25
109.52	114.75	99.44	114.75	+5.25
129.52	134.75	124.44	134.75	+5.25
119.52	124.75	109.44	124.75	+5.25
109.52	114.75	99.44	114.75	+5.25
129.52	134.75	124.44	134.75	+5.25

**Industrials**

Open	High	Low	Last	Chg.
129.52	134.75	124.44	134.75	+5.25
119.52	124.75	109.44	124.75	+5.25
109.52	114.75	99.44	114.75	+5.25
129.52	134.75	124.44	134.75	+5.25
119.52	124.75	109.44	124.75	+5.25
109.52	114.75	99.44	114.75	+5.25
129.52	134.75	124.44	134.75	+5.25
119.52	124.75	109.44	124.75	+5.25
109.52	114.75	99.44	114.75	+5.25
129.52	134.75	124.44	134.75	+5.25

EUROPEAN FUTURES				
Metals				
	Close	Ask	Previous	Ask
ALUMINUM (High Grade)				
Dollars per metric ton				
Spot	1979.00	1928.00	1920.00	1921.00
Forward	1944.00	1943.00	1943.00	1944.00



صباحنا من الدليل

EUROPE

# Browning-Ferris Wins Struggle for Attwoods

**LONDON** — Browning-Ferris Industries Inc. said its acrimonious 11-week battle for control of Attwoods PLC ended victoriously Friday when a majority of investors accepted its £391 million (\$613 million) takeover bid.

As the deadline on the offer passed Friday afternoon, Browning-Ferris said it had received acceptances representing 56 percent of Attwoods' ordinary shares.

Browning-Ferris, the second-largest waste management company in the world, made a cash offer on Nov. 17 of 116.75 pence a share and a final dividend of 3.25 pence. That offer was 7 percent higher than BFI's original offer on Sept. 9 of 109 pence a share.

Attwoods said the increased offer was "meager" and urged shareholders to block BFI's attempt to acquire the company "on the cheap."

"We are clearly disappointed by the outcome of the bid," Ken Foreman, chief executive of Attwoods, said.

A last-minute bid for Attwoods from Iktoket

Waste Recycling Corp. of Toronto came too late to slow BFI's progress.

Iktoket made a conditional offer that topped Browning-Ferris's by 11 percent. Iktoket said it would give 130 pence a share, but only if shareholders allowed the BFI bid to lapse.

"What we saw today was a bit of excitement, but it didn't have any substance to it," said Philip Angell, assistant to the chairman of Browning-Ferris, William Ruckelshaus.

Attwoods has operations in Britain, continental Europe and the eastern United States. Its U.S. business concentrates on solid waste disposal and medical waste services.

Analysts called the deal beneficial for BFI.

"BFI has got a very good deal for itself," said Robert Miller-Bakewell, an analyst at NatWest Capital Markets. "It has got a very strong position now in the U.K. solid-waste industry. In the U.S., it has significantly strengthened its position down the Eastern Seaboard and in Florida."

(Bloomberg, Reuters)

# In Norway's 'No,' Free-Trade Area Gets a Reprieve

**By Robert L. Kroon**  
*Special to the Herald Tribune*

**GENEVA** — Norway's rejection of European Union membership was a stay of execution for EFTA, the European Free Trade Association, which was founded more than 30 years ago as a counterpart to the Common Market.

Had Norway followed the example of Sweden in the referendum on EU membership last week, the meeting of EFTA ministers in Geneva on Dec. 12 would have amounted to "our burial ceremony," said Ake Landquist, a spokesman for EFTA, which was created in 1960 by Austria, Britain, Portugal, the Scandinavian countries and Switzerland.

"A free-trade group reduced to Switzerland, Liechtenstein and Iceland would no longer have made much sense," he added.

Even with the Norwegians on board, EFTA will shrink from a market of 32 million people to 11 million on Jan. 1, when Austria, Finland and Sweden quit to join the EU. But Mr. Landquist foresees a new role for EFTA: a halfway house for Central European countries and the Baltic states seeking EU membership.

"EFTA and the concomitant European Economic Area could be a useful prep school for the East European

# New Stake In Spain for Pearson

**LONDON** — Pearson PLC said Friday its Financial Times Group unit had paid £153 million (\$239 million) for a further 10 percent stake in Spain's privately owned Recoletos Cia. Editorial, giving it majority control.

Pearson said the purchase, from Grupo Correo de Comunicacion, would bring Pearson's total shareholding in Recoletos to 56.7 percent, making it a fully consolidated Pearson subsidiary. Grupo Correo will retain an 8.5 percent stake in Recoletos.

"We have developed an excellent working relationship with Recoletos over the past seven years," Frank Barlow, managing director of Pearson, said in a statement.

"They have built one of the leading media groups in Spain, and we look forward to continuing to do all we can to promote their further success and profitable growth as part of the Pearson group."

Recoletos publishes the Spanish business and financial daily "Expansion" as well as a daily sports paper, women's magazines, a medical newspaper and a series of free newspapers distributed in Madrid.

The founding shareholders and managers of Recoletos have agreed to retain 34.8 percent of the equity.

Recoletos had net earnings of £15.3 million in 1993.

Pearson said it saw opportunities for increased cooperation between Recoletos and other parts of the group.

(AFX, Bloomberg)

## Investor's Europe

### Frankfurt DAX

2300  
2200  
2100  
2000

J A S O N D  
1994

### London FTSE 100 Index

3300  
3200  
3100  
3000  
2900  
2800

J A S O N D  
1994

### Paris CAC 40

2200  
2100  
2000  
1900  
1800

J A S O N D  
1994

Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	AEX	410.01	408.18	+0.45
Brussels	Stock Index	7,290.76	7,268.82	+0.30
Frankfurt	DAX	2,038.51	2,046.59	-0.39
Frankfurt	FAZ	769.33	769.90	-0.07
Helsinki	HEX	1,864.19	1,865.64	-0.08
London	Financial Times 30	2,323.80	2,340.80	-0.73
London	FTSE 100	3,017.30	3,039.50	-0.73
Madrid	General Index	301.11	300.08	+0.34
Milan	MIBTEL	10089	10124	-0.35
Paris	CAC 40	1,982.71	1,963.99	+0.96
Stockholm	Affaersvaeriden	1,881.13	1,894.84	-0.72
Vienna	Stock Index	N.A.	N.A.	-
Zurich	SBS	913.16	913.27	-0.01

Sources: Reuters, AFP

International Herald Tribune











**Friday's 4 p.m.**  
This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

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[illegible]

High/Low Last Stock		Div	Yld Pct	\$5	High	Low	Lowest	Cr
184	74 1/2	Boe	3	1227	18	179	176	176
185	74 1/2	Boe	3	1227	18	179	176	176
186	74 1/2	Boe	3	1227	18	179	176	176
187	74 1/2	Boe	3	1227	18	179	176	176
188	74 1/2	Boe	3	1227	18	179	176	176
189	74 1/2	Boe	3	1227	18	179	176	176
190	74 1/2	Boe	3	1227	18	179	176	176
191	74 1/2	Boe	3	1227	18	179	176	176
192	74 1/2	Boe	3	1227	18	179	176	176
193	74 1/2	Boe	3	1227	18	179	176	176
194	74 1/2	Boe	3	1227	18	179	176	176
195	74 1/2	Boe	3	1227	18	179	176	176
196	74 1/2	Boe	3	1227	18	179	176	176
197	74 1/2	Boe	3	1227	18	179	176	176
198	74 1/2	Boe	3	1227	18	179	176	176
199	74 1/2	Boe	3	1227	18	179	176	176
200	74 1/2	Boe	3	1227	18	179	176	176
201	74 1/2	Boe	3	1227	18	179	176	176
202	74 1/2	Boe	3	1227	18	179	176	176
203	74 1/2	Boe	3	1227	18	179	176	176
204	74 1/2	Boe	3	1227	18	179	176	176
205	74 1/2	Boe	3	1227	18	179	176	176
206	74 1/2	Boe	3	1227	18	179	176	176
207	74 1/2	Boe	3	1227	18	179	176	176
208	74 1/2	Boe	3	1227	18	179	176	176
209	74 1/2	Boe	3	1227	18	179	176	176
210	74 1/2	Boe	3	1227	18	179	176	176
211	74 1/2	Boe	3	1227	18	179	176	176
212	74 1/2	Boe	3	1227	18	179	176	176
213	74 1/2	Boe	3	1227	18	179	176	176
214	74 1/2	Boe	3	1227	18	179	176	176
215	74 1/2	Boe	3	1227	18	179	176	176
216	74 1/2	Boe	3	1227	18	179	176	176
217	74 1/2	Boe	3	1227	18	179	176	176
218	74 1/2	Boe	3	1227	18	179	176	176
219	74 1/2	Boe	3	1227	18	179	176	176
220	74 1/2	Boe	3	1227	18	179	176	176
221	74 1/2	Boe	3	1227	18	179	176	176
222	74 1/2	Boe	3	1227	18	179	176	176
223	74 1/2	Boe	3	1227	18	179	176	176
224	74 1/2	Boe	3	1227	18	179	176	176
225	74 1/2	Boe	3	1227	18	179	176	176
226	74 1/2	Boe	3	1227	18	179	176	176
227	74 1/2	Boe	3	1227	18	179	176	176
228	74 1/2	Boe	3	1227	18	179	176	176
229	74 1/2	Boe	3	1227	18	179	176	176
230	74 1/2	Boe	3	1227	18	179	176	176
231	74 1/2	Boe	3	1227	18	179	176	176
232	74 1/2	Boe	3	1227	18	179	176	176
233	74 1/2	Boe	3	1227	18	179	176	176
234	74 1/2	Boe	3	1227	18	179	176	176
235	74 1/2	Boe	3	1227	18	179	176	176
236	74 1/2	Boe	3	1227	18	179	176	176
237	74 1/2	Boe	3	1227	18	179	176	176
238	74 1/2	Boe	3	1227	18	179	176	176
239	74 1/2	Boe	3	1227	18	179	176	176
240	74 1/2	Boe	3	1227	18	179	176	176
241	74 1/2	Boe	3	1227	18	179	176	176
242	74 1/2	Boe	3	1227	18	179	176	176
243	74 1/2	Boe	3	1227	18	179	176	176
244	74 1/2	Boe	3	1227	18	179	176	176
245	74 1/2	Boe	3	1227	18	179	176	176
246	74 1/2	Boe	3	1227	18	179	176	176
247	74 1/2	Boe	3	1227	18	179	176	176
248	74 1/2	Boe	3	1227	18	179	176	176
249	74 1/2	Boe	3	1227	18	179	176	176
250	74 1/2	Boe	3	1227	18	179	176	176
251	74 1/2	Boe	3	1227	18	179	176	176
252	74 1/2	Boe	3	1227	18	179	176	176
253	74 1/2	Boe	3	1227	18	179	176	176
254	74 1/2	Boe	3	1227	18	179	176	176
255	74 1/2	Boe	3	1227	18	179	176	176
256	74 1/2	Boe	3	1227	18	179	176	176
257	74 1/2	Boe	3	1227	18	179	176	176
258	74 1/2	Boe	3	1227	18	179	176	176
259	74 1/2	Boe	3	1227	18	179	176	176
260	74 1/2	Boe	3	1227	18	179	176	176
261	74 1/2	Boe	3	1227	18	179	176	176
262	74 1/2	Boe	3	1227	18	179	176	176
263	74 1/2	Boe	3	1227	18	179	176	176
264	74 1/2	Boe	3	1227	18	179	176	176
265	74 1/2	Boe	3	1227	18	179	176	176
266	74 1/2	Boe	3	1227	18	179	176	176
267	74 1/2	Boe	3	1227	18	179	176	176
268	74 1/2	Boe	3	1227	18	179	176	176
269	74 1/2	Boe	3	1227	18	179	176	176
270	74 1/2	Boe	3	1227	18	179	176	176
271	74 1/2	Boe	3	1227	18	179	176	176
272	74 1/2	Boe	3	1227	18	179	176	176
273	74 1/2	Boe	3	1227	18	179	176	176
274	74 1/2	Boe	3	1227	18	179	176	176
275	74 1/2	Boe	3	1227	18	179	176	176
276	74 1/2	Boe	3	1227	18	179	176	176
277	74 1/2	Boe	3	1227	18	179	176	176
278	74 1/2	Boe	3	1227	18	179	176	176
279	74 1/2	Boe	3	1227	18	179	176	176
280	74 1/2	Boe	3	1227	18	179	176	176
281	74 1/2	Boe	3	1227	18	179	176	176
282	74 1/2	Boe	3	1227	18	179	176	176
283	74 1/2	Boe	3	1227	18	179	176	176
284	74 1/2	Boe	3	1227	18	179	176	176
285	74 1/2	Boe	3	1227	18	179	176	176
286	74 1/2	Boe	3	1227	18	179	176	176
287	74 1/2	Boe	3	1227	18	179	176	176
288	74 1/2	Boe	3	1227	18	179	176	176
289	74 1/2	Boe	3	1227	18	179	176	176
290	74 1/2	Boe	3	1227	18	179	176	176
291	74 1/2	Boe	3	1227	18	179	176	176
292	74 1/2	Boe	3	1227	18	179	176	176
293	74 1/2	Boe	3	1227	18	179	176	176
294	74 1/2	Boe	3	1227	18	179	176	176
295	74 1/2	Boe	3	1227	18	179	176	176
296	74 1/2	Boe	3	1227	18	179	176	176
297	74 1/2	Boe	3	1227	18	179	176	176
298	74 1/2	Boe	3	1227	18	179	176	176
299	74 1/2	Boe	3	1227	18	179	176	176
300	74 1/2	Boe	3	1227	18	179	176	176
301	74 1/2	Boe	3	1227	18	179	176	176
302	74 1/2	Boe	3	1227	18	179	176	176
303	74 1/2	Boe	3	1227	18	179	176	176
304	74 1/2	Boe	3	1227	18	179	176	176
305	74 1/2	Boe	3	1227	18	179	176	176
306	74 1/2	Boe	3	1227	18	179	176	176
307	74 1/2	Boe	3	1227	18	179	176	176
308	74 1/2	Boe	3	1227	18	179	176	176
309	74 1/2	Boe	3	1227	18	179	176	176
310	74 1/2	Boe	3	1227	18	179	176	176
311	74 1/2	Boe	3	1227	18	179	176	176
312	74 1/2	Boe	3	1227	18	179	176	176
313	74 1/2	Boe	3	1227	18	179	176	176
314	74 1/2	Boe	3	1227	18	179	176	176
315	74 1/2	Boe	3	1227	18	179	176	176
316	74 1/2	Boe	3	1227	18	179	176	176
317	74 1/2	Boe	3	1227	18	179	176	176
318	74 1/2	Boe	3	1227	18	179	176	176
319	74 1/2	Boe	3	1227	18	179	176	176
320	74 1/2	Boe	3	1227	18	179	176	176
321	74 1/2	Boe	3	1227	18	179	176	176
322	74 1/2	Boe	3	1227	18	179	176	176
323	74 1/2	Boe	3	1227	18	179	176	176
324	74 1/2	Boe	3	1227	18	179	176	176
325	74 1/2	Boe	3	1227	18	179	176	176
326	74 1/2	Boe	3	1227	18	179	176	176
327	74 1/2	Boe	3	1227	18	179	176	176
328	74 1/2	Boe	3	1227	18	179	176	176
329	74 1/2	Boe	3	1227	18	179	176	176
330	74 1/2	Boe	3	1227	18	179	176	176
331	74 1/2	Boe	3	1227	18	179	176	176
332	74 1/2	Boe	3	1227	18	179	176	176
333	74 1/2	Boe	3	1227	18	179	176	176
334	74 1/2	Boe	3	1227	18	179	176	176
335	74 1/2	Boe	3	1227	18	179	176	176
336	74 1/2	Boe	3	1227	18	179	176	176
337	74 1/2	Boe	3	1227	18	179	176	176
338	74 1/2	Boe	3	1227	18	179	176	176
339	74 1/2	Boe	3	1227	18	179	176	176
340	74 1/2	Boe	3	1227	18	179	176	176
341	74 1/2	Boe	3	1227	18	179	176	176
342	74 1/2	Boe	3	1227	18	179	176	176
343	74 1/2	Boe	3	1227	18	179	176	176
344	74 1/2	Boe	3	1227	18	179	176	176
345	74 1/2	Boe	3	1227	18	179	176	176
346								

[illegible]

12-Month Low		High	Low	Stock	Div	Yr	PE	Stk	100s	High	Low	Lowest
12%	44	100	72	24	24	1978	15	15	15	15	15	15
13%	45	100	73	25	25	1979	16	16	16	16	16	16
14%	46	100	74	26	26	1980	17	17	17	17	17	17
15%	47	100	75	27	27	1981	18	18	18	18	18	18
16%	48	100	76	28	28	1982	19	19	19	19	19	19
17%	49	100	77	29	29	1983	20	20	20	20	20	20
18%	50	100	78	30	30	1984	21	21	21	21	21	21
19%	51	100	79	31	31	1985	22	22	22	22	22	22
20%	52	100	80	32	32	1986	23	23	23	23	23	23
21%	53	100	81	33	33	1987	24	24	24	24	24	24
L-M												
22%	54	100	82	34	34	1988	25	25	25	25	25	25
23%	55	100	83	35	35	1989	26	26	26	26	26	26
24%	56	100	84	36	36	1990	27	27	27	27	27	27
25%	57	100	85	37	37	1991	28	28	28	28	28	28
26%	58	100	86	38	38	1992	29	29	29	29	29	29
27%	59	100	87	39	39	1993	30	30	30	30	30	30
28%	60	100	88	40	40	1994	31	31	31	31	31	31
29%	61	100	89	41	41	1995	32	32	32	32	32	32
30%	62	100	90	42	42	1996	33	33	33	33	33	33
31%	63	100	91	43	43	1997	34	34	34	34	34	34
32%	64	100	92	44	44	1998	35	35	35	35	35	35
33%	65	100	93	45	45	1999	36	36	36	36	36	36
34%	66	100	94	46	46	2000	37	37	37	37	37	37
35%	67	100	95	47	47	2001	38	38	38	38	38	38
36%	68	100	96	48	48	2002	39	39	39	39	39	39
37%	69	100	97	49	49	2003	40	40	40	40	40	40
38%	70	100	98	50	50	2004	41	41	41	41	41	41
39%	71	100	99	51	51	2005	42	42	42	42	42	42
40%	72	100	100	52	52	2006	43	43	43	43	43	43
41%	73	100	101	53	53	2007	44	44	44	44	44	44
42%	74	100	102	54	54	2008	45	45	45	45	45	45
43%	75	100	103	55	55	2009	46	46	46	46	46	46
44%	76	100	104	56	56	2010	47	47	47	47	47	47
45%	77	100	105	57	57	2011	48	48	48	48	48	48
46%	78	100	106	58	58	2012	49	49	49	49	49	49
47%	79	100	107	59	59	2013	50	50	50	50	50	50
48%	80	100	108	60	60	2014	51	51	51	51	51	51
49%	81	100	109	61	61	2015	52	52	52	52	52	52
50%	82	100	110	62	62	2016	53	53	53	53	53	53
51%	83	100	111	63	63	2017	54	54	54	54	54	54
N-P-Q												
52%	84	100	112	64	64	2018	55	55	55	55	55	55
53%	85	100	113	65	65	2019	56	56	56	56	56	56
54%	86	100	114	66	66	2020	57	57	57	57	57	57
55%	87	100	115	67	67	2021	58	58	58	58	58	58
56%	88	100	116	68	68	2022	59	59	59	59	59	59
57%	89	100	117	69	69	2023	60	60	60	60	60	60
58%	90	100	118	70	70	2024	61	61	61	61	61	61
59%	91	100	119	71	71	2025	62	62	62	62	62	62
60%	92	100	120	72	72	2026	63	63	63	63	63	63
61%	93	100	121	73	73	2027	64	64	64	64	64	64
62%	94	100	122	74	74	2028	65	65	65	65	65	65
63%	95	100	123	75	75	2029	66	66	66	66	66	66
64%	96	100	124	76	76	2030	67	67	67	67	67	67
65%	97	100	125	77	77	2031	68	68	68	68	68	68
66%	98	100	126	78	78	2032	69	69	69	69	69	69
67%	99	100	127	79	79	2033	70	70	70	70	70	70
68%	100	100	128	80	80	2034	71	71	71	71	71	71

[illegible]

25.2	sonnet	2.28	4.7	1.7	4.7	25.2	sonnet	2.28	4.7	1.7	4.7
25.3	Southern	1.00	1.0	1.0	1.0	25.3	Southern	1.00	1.0	1.0	1.0
25.4	Spain	1.00	1.0	1.0	1.0	25.4	Spain	1.00	1.0	1.0	1.0
25.5	Spokane	1.00	1.0	1.0	1.0	25.5	Spokane	1.00	1.0	1.0	1.0
25.6	Spectrum	1.00	1.0	1.0	1.0	25.6	Spectrum	1.00	1.0	1.0	1.0
25.7	Spectrum	1.00	1.0	1.0	1.0	25.7	Spectrum	1.00	1.0	1.0	1.0
25.8	Spectrum	1.00	1.0	1.0	1.0	25.8	Spectrum	1.00	1.0	1.0	1.0
25.9	Spectrum	1.00	1.0	1.0	1.0	25.9	Spectrum	1.00	1.0	1.0	1.0
26.0	Spectrum	1.00	1.0	1.0	1.0	26.0	Spectrum	1.00	1.0	1.0	1.0
26.1	Spectrum	1.00	1.0	1.0	1.0	26.1	Spectrum	1.00	1.0	1.0	1.0
26.2	Spectrum	1.00	1.0	1.0	1.0	26.2	Spectrum	1.00	1.0	1.0	1.0
26.3	Spectrum	1.00	1.0	1.0	1.0	26.3	Spectrum	1.00	1.0	1.0	1.0
26.4	Spectrum	1.00	1.0	1.0	1.0	26.4	Spectrum	1.00	1.0	1.0	1.0
26.5	Spectrum	1.00	1.0	1.0	1.0	26.5	Spectrum	1.00	1.0	1.0	1.0
26.6	Spectrum	1.00	1.0	1.0	1.0	26.6	Spectrum	1.00	1.0	1.0	1.0
26.7	Spectrum	1.00	1.0	1.0	1.0	26.7	Spectrum	1.00	1.0	1.0	1.0
26.8	Spectrum	1.00	1.0	1.0	1.0	26.8	Spectrum	1.00	1.0	1.0	1.0
26.9	Spectrum	1.00	1.0	1.0	1.0	26.9	Spectrum	1.00	1.0	1.0	1.0
27.0	Spectrum	1.00	1.0	1.0	1.0	27.0	Spectrum	1.00	1.0	1.0	1.0
27.1	Spectrum	1.00	1.0	1.0	1.0	27.1	Spectrum	1.00	1.0	1.0	1.0
27.2	Spectrum	1.00	1.0	1.0	1.0	27.2	Spectrum	1.00	1.0	1.0	1.0
27.3	Spectrum	1.00	1.0	1.0	1.0	27.3	Spectrum	1.00	1.0	1.0	1.0
27.4	Spectrum	1.00	1.0	1.0	1.0	27.4	Spectrum	1.00	1.0	1.0	1.0
27.5	Spectrum	1.00	1.0	1.0	1.0	27.5	Spectrum	1.00	1.0	1.0	1.0
27.6	Spectrum	1.00	1.0	1.0	1.0	27.6	Spectrum	1.00	1.0	1.0	1.0
27.7	Spectrum	1.00	1.0	1.0	1.0	27.7	Spectrum	1.00	1.0	1.0	1.0
27.8	Spectrum	1.00	1.0	1.0	1.0	27.8	Spectrum	1.00	1.0	1.0	1.0
27.9	Spectrum	1.00	1.0	1.0	1.0	27.9	Spectrum	1.00	1.0	1.0	1.0
28.0	Spectrum	1.00	1.0	1.0	1.0	28.0	Spectrum	1.00	1.0	1.0	1.0
28.1	Spectrum	1.00	1.0	1.0	1.0	28.1	Spectrum	1.00	1.0	1.0	1.0
28.2	Spectrum	1.00	1.0	1.0	1.0	28.2	Spectrum	1.00	1.0	1.0	1.0
28.3	Spectrum	1.00	1.0	1.0	1.0	28.3	Spectrum	1.00	1.0	1.0	1.0
28.4	Spectrum	1.00	1.0	1.0	1.0	28.4	Spectrum	1.00	1.0	1.0	1.0
28.5	Spectrum	1.00	1.0	1.0	1.0	28.5	Spectrum	1.00	1.0	1.0	1.0
28.6	Spectrum	1.00	1.0	1.0	1.0	28.6	Spectrum	1.00	1.0	1.0	1.0
28.7	Spectrum	1.00	1.0	1.0	1.0	28.7	Spectrum	1.00	1.0	1.0	1.0
28.8	Spectrum	1.00	1.0	1.0	1.0	28.8	Spectrum	1.00	1.0	1.0	1.0
28.9	Spectrum	1.00	1.0	1.0	1.0	28.9	Spectrum	1.00	1.0	1.0	1.0
29.0	Spectrum	1.00	1.0	1.0	1.0	29.0	Spectrum	1.00	1.0	1.0	1.0
29.1	Spectrum	1.00	1.0	1.0	1.0	29.1	Spectrum	1.00	1.0	1.0	1.0
29.2	Spectrum	1.00	1.0	1.0	1.0	29.2	Spectrum	1.00	1.0	1.0	1.0
29.3	Spectrum	1.00	1.0	1.0	1.0	29.3	Spectrum	1.00	1.0	1.0	1.0
29.4	Spectrum	1.00	1.0	1.0	1.0	29.4	Spectrum	1.00	1.0	1.0	1.0
29.5	Spectrum	1.00	1.0	1.0	1.0	29.5	Spectrum	1.00	1.0	1.0	1.0
29.6	Spectrum	1.00	1.0	1.0	1.0	29.6	Spectrum	1.00	1.0	1.0	1.0
29.7	Spectrum	1.00	1.0	1.0	1.0	29.7	Spectrum	1.00	1.0	1.0	1.0
29.8	Spectrum	1.00	1.0	1.0	1.0	29.8	Spectrum	1.00	1.0	1.0	1.0
29.9	Spectrum	1.00	1.0	1.0	1.0	29.9	Spectrum	1.00	1.0	1.0	1.0
30.0	Spectrum	1.00	1.0	1.0	1.0	30.0	Spectrum	1.00	1.0	1.0	1.0
30.1	Spectrum	1.00	1.0	1.0	1.0	30.1	Spectrum	1.00	1.0	1.0	1.0
30.2	Spectrum	1.00	1.0	1.0	1.0	30.2	Spectrum	1.00	1.0	1.0	1.0
30.3	Spectrum	1.00	1.0	1.0	1.0	30.3	Spectrum	1.00	1.0	1.0	1.0
30.4	Spectrum	1.00	1.0	1.0	1.0	30.4	Spectrum	1.00	1.0	1.0	1.0
30.5	Spectrum	1.00	1.0	1.0	1.0	30.5	Spectrum	1.00	1.0	1.0	1.0
30.6	Spectrum	1.00	1.0	1.0	1.0	30.6	Spectrum	1.00	1.0	1.0	1.0
30.7	Spectrum	1.00	1.0	1.0	1.0	30.7	Spectrum	1.00	1.0	1.0	1.0
30.8	Spectrum	1.00	1.0	1.0	1.0	30.8	Spectrum	1.00	1.0	1.0	1.0
30.9	Spectrum	1.00	1.0	1.0	1.0	30.9	Spectrum	1.00	1.0	1.0	1.0
31.0	Spectrum	1.00	1.0	1.0	1.0	31.0	Spectrum	1.00	1.0	1.0	1.0
31.1	Spectrum	1.00	1.0	1.0	1.0	31.1	Spectrum	1.00	1.0	1.0	1.0
31.2	Spectrum	1.00	1.0	1.0	1.0	31.2	Spectrum	1.00	1.0	1.0	1.0
31.3	Spectrum	1.00	1.0	1.0	1.0	31.3	Spectrum	1.00	1.0	1.0	1.0
31.4	Spectrum	1.00	1.0	1.0	1.0	31.4	Spectrum	1.00	1.0	1.0	1.0
31.5	Spectrum	1.00	1.0	1.0	1.0	31.5	Spectrum	1.00	1.0	1.0	1.0
31.6	Spectrum	1.00	1.0	1.0	1.0	31.6	Spectrum	1.00	1.0	1.0	1.0
31.7	Spectrum	1.00	1.0	1.0	1.0	31.7	Spectrum	1.00	1.0	1.0	1.0
31.8	Spectrum	1.00	1.0	1.0	1.0	31.8	Spectrum	1.00	1.0	1.0	1.0
31.9	Spectrum	1.00	1.0	1.0	1.0	31.9	Spectrum	1.00	1.0	1.0	1.0
32.0	Spectrum	1.00	1.0	1.0	1.0	32.0	Spectrum	1.00	1.0	1.0	1.0
32.1	Spectrum	1.00	1.0	1.0	1.0	32.1	Spectrum	1.00	1.0	1.0	1.0
32.2	Spectrum	1.00	1.0	1.0	1.0	32.2	Spectrum	1.00	1.0	1.0	1.0
32.3	Spectrum	1.00	1.0	1.0	1.0	32.3	Spectrum	1.00	1.0	1.0	1.0
32.4	Spectrum	1.00	1.0	1.0	1.0	32.4	Spectrum	1.00	1.0	1.0	1.0
32.5	Spectrum	1.00	1.0	1.0	1.0	32.5	Spectrum	1.00	1.0	1.0	1.0
32.6	Spectrum	1.00	1.0	1.0	1.0	32.6	Spectrum	1.00	1.0	1.0	1.0
32.7	Spectrum	1.00	1.0	1.0	1.0	32.7	Spectrum	1.00	1.0	1.0	1.0
32.8	Spectrum	1.00	1.0	1.0	1.0	32.8	Spectrum	1.00	1.0	1.0	1.0
32.9	Spectrum	1.00	1.0	1.0	1.0	32.9	Spectrum	1.00	1.0	1.0	1.0
33.0	Spectrum	1.00	1.0	1.0	1.0	33.0	Spectrum	1.00	1.0	1.0	1.0
33.1	Spectrum	1.00	1.0	1.0	1.0	33.1	Spectrum	1.00	1.0	1.0	1.0
33.2	Spectrum	1.00	1.0	1.0	1.0	33.2	Spectrum	1.00	1.0	1.0	1.0
33.3	Spectrum	1.00	1.0	1.0	1.0	33.3	Spectrum	1.00	1.0	1.0	1.0
33.4	Spectrum	1.00	1.0	1.0	1.0	33.4	Spectrum	1.00	1.0	1.0	1.0
33.5	Spectrum	1.00	1.0	1.0	1.0	33.5	Spectrum	1.00	1.0	1.0	1.0
33.6	Spectrum	1.00	1.0	1.0	1.0	33.6	Spectrum	1.00	1.0	1.0	1.0
33.7	Spectrum	1.00	1.0	1.0	1.0	33.7	Spectrum	1.00	1.0	1.0	1.0
33.8	Spectrum	1.00	1.0	1.0	1.0	33.8	Spectrum	1.00	1.0	1.0	1.0
33.9	Spectrum	1.00	1.0	1.0	1.0	33.9	Spectrum	1.00	1.0	1.0	1.0
34.0	Spectrum	1.00	1.0	1.0	1.0	34.0	Spectrum	1.00	1.0	1.0	1.0
34.1	Spectrum	1.00	1.0	1.0	1.0	34.1	Spectrum	1.00	1.0	1.0	1.0
34.2	Spectrum	1.00	1.0	1.0	1.0	34.2	Spectrum	1.00	1.0	1.0	1.0
34.3	Spectrum	1.00	1.0	1.0	1.0	34.3	Spectrum	1.00	1.0	1.0	1.0
34.4	Spectrum	1.00	1.0	1.0	1.0	34.4	Spectrum	1.00	1.0	1.0	1.0
34.5	Spectrum	1.00	1.0	1.0	1.0	34.5	Spectrum	1.00	1.0	1.0	1.0
34.6	Spectrum	1.00	1.0	1.0	1.0	34.6	Spectrum	1.00	1.0	1.0	1.0
34.7	Spectrum	1.00	1.0	1.0	1.0	34.7	Spectrum	1.00	1.0	1.0	1.0
34.8	Spectrum	1.00	1.0	1.0	1.0	34.8	Spectrum	1.00	1.0	1.0	1.0
34.9	Spectrum	1.00	1.0	1.0	1.0	34.9	Spectrum	1.00	1.0	1.0	1.0
35.0	Spectrum	1.00	1.0	1.0	1.0	35.0	Spectrum	1.00	1.0	1.0	1.0
35.1	Spectrum	1.00	1.0	1.0	1.0	35.1	Spectrum	1.00	1.0	1.0	1.0
35.2	Spectrum	1.00	1.0	1.0	1.0	35.2	Spectrum	1.00	1.0	1.0	1.0
35.3	Spectrum	1.00	1.0	1.0	1.0	35.3	Spectrum	1.00	1.0	1.0	1.0
35.4	Spectrum	1.00	1.0	1.0	1.0	35.4	Spectrum	1.00	1.0	1.0	1.0
35.5	Spectrum	1.00	1.0	1.0	1.0	35.5	Spectrum	1.00	1.0	1.0	1.0
35.6	Spectrum	1.00	1.0	1.0	1.0	35.6	Spectrum	1.00	1.0	1.0	1.0
35.7	Spectrum	1.00	1.0	1.0	1.0	35.7	Spectrum	1.00	1.0	1.0	1.0
35.8	Spectrum	1.00	1.0	1.0	1.0	35.8	Spectrum	1.00	1.0	1.0	1.0
35.9	Spectrum	1.00	1.0	1.0	1.0	35.9	Spectrum	1.00	1.0	1.0	1.0
36.0	Spectrum	1.00	1.0	1.0	1.0	36.0	Spectrum	1.00	1.0	1.0	1.0
36.1	Spectrum	1.00	1.0	1.0	1.0	36.1	Spectrum	1.00	1.0	1.0	1.0
36.2	Spectrum	1.00	1.0	1.0	1.0	36.2	Spectrum	1.00	1.0	1.0	1.0
36.3	Spectrum	1.00	1.0	1.0	1.0	36.3	Spectrum	1.00	1.0	1.0	1.0
36.4	Spectrum	1.00	1.0	1.0	1.0	36.4	Spectrum	1.00	1.0	1.0	1.0
36.5	Spectrum	1.00	1.0	1.0	1.0	36.5	Spectrum	1.00	1.0	1.0	1.0
36.6	Spectrum	1.00	1.0	1.0	1.0	36.6	Spectrum	1.00	1.0	1.0	1.0
36.7	Spectrum	1.00	1.0	1.0	1.0	36.7	Spectrum	1.00	1.0	1.0	1.0
36.8	Spectrum	1.00	1.0	1.0	1.0	36.8	Spectrum	1.00	1.0	1.0	1.0
36.9	Spectrum	1.00	1.0	1.0	1.0	36.9	Spectrum	1.00	1.0	1.0	1.0
37.0	Spectrum	1.00	1.0	1.0	1.0	37.0	Spectrum	1.00	1.0	1.0	1.0
37.1	Spectrum	1.00	1.0	1.0	1.0	37.1	Spectrum	1.00	1.0	1.0	1.0
37.2	Spectrum	1.00	1.0	1.0	1.0	37.2	Spectrum	1.00	1.0	1.0	1.0
37.3	Spectrum	1.00	1.0	1.0	1.0	37.3	Spectrum	1.00	1.0	1.0	1.0
37.4	Spectrum	1.00	1.0	1.0	1.0	37.4	Spectrum	1.00	1.0	1.0	1.0
37.5	Spectrum	1.00	1.0	1.0	1.0	37.5	Spectrum	1.00			

[illegible]

**Friday's Closing**  
Tables include the nationwide prices up to the closing on Wall Street and do not reflect trades elsewhere. Via The Associated Press

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Company	High Low	Stk	Div	Yld PE	100	High	Low	Latest	Change
34 A&P	54	62	21	137	41	81	75	76	+1
35 A&P	54	62	21	137	41	81	75	76	+1
36 A&P	54	62	21	137	41	81	75	76	+1
37 A&P	54	62	21	137	41	81	75	76	+1
38 A&P	54	62	21	137	41	81	75	76	+1
39 A&P	54	62	21	137	41	81	75	76	+1
40 A&P	54	62	21	137	41	81	75	76	+1
41 A&P	54	62	21	137	41	81	75	76	+1
42 A&P	54	62	21	137	41	81	75	76	+1
43 A&P	54	62	21	137	41	81	75	76	+1
44 A&P	54	62	21	137	41	81	75	76	+1
45 A&P	54	62	21	137	41	81	75	76	+1
46 A&P	54	62	21	137	41	81	75	76	+1
47 A&P	54	62	21	137	41	81	75	76	+1
48 A&P	54	62	21	137	41	81	75	76	+1
49 A&P	54	62	21	137	41	81	75	76	+1
50 A&P	54	62	21	137	41	81	75	76	+1
51 A&P	54	62	21	137	41	81	75	76	+1
52 A&P	54	62	21	137	41	81	75	76	+1
53 A&P	54	62	21	137	41	81	75	76	+1
54 A&P	54	62	21	137	41	81	75	76	+1
55 A&P	54	62	21	137	41	81	75	76	+1
56 A&P	54	62	21	137	41	81	75	76	+1
57 A&P	54	62	21	137	41	81	75	76	+1
58 A&P	54	62	21	137	41	81	75	76	+1
59 A&P	54	62	21	137	41	81	75	76	+1
60 A&P	54	62	21	137	41	81	75	76	+1
61 A&P	54	62	21	137	41	81	75	76	+1
62 A&P	54	62	21	137	41	81	75	76	+1
63 A&P	54	62	21	137	41	81	75	76	+1
64 A&P	54	62	21	137	41	81	75	76	+1
65 A&P	54	62	21	137	41	81	75	76	+1
66 A&P	54	62	21	137	41	81	75	76	+1
67 A&P	54	62	21	137	41	81	75	76	+1
68 A&P	54	62	21	137	41	81	75	76	+1
69 A&P	54	62	21	137	41	81	75	76	+1
70 A&P	54	62	21	137	41	81	75	76	+1
71 A&P	54	62	21	137	41	81	75	76	+1
72 A&P	54	62	21	137	41	81	75	76	+1
73 A&P	54	62	21	137	41	81	75	76	+1
74 A&P	54	62	21	137	41	81	75	76	+1
75 A&P	54	62	21	137	41	81	75	76	+1
76 A&P	54	62	21	137	41	81	75	76	+1
77 A&P	54	62	21	137	41	81	75	76	+1</

High Month	High Low	Div	YH	PE	Stk	High	Low	Loss	Div	Stk
1979	184	184	184	184	184	184	184	184	184	184
1980	184	184	184	184	184	184	184	184	184	184
1981	184	184	184	184	184	184	184	184	184	184
1982	184	184	184	184	184	184	184	184	184	184
1983	184	184	184	184	184	184	184	184	184	184
1984	184	184	184	184	184	184	184	184	184	184
1985	184	184	184	184	184	184	184	184	184	184
1986	184	184	184	184	184	184	184	184	184	184
1987	184	184	184	184	184	184	184	184	184	184
1988	184	184	184	184	184	184	184	184	184	184
1989	184	184	184	184	184	184	184	184	184	184
1990	184	184	184	184	184	184	184	184	184	184
1991	184	184	184	184	184	184	184	184	184	184
1992	184	184	184	184	184	184	184	184	184	184
1993	184	184	184	184	184	184	184	184	184	184
1994	184	184	184	184	184	184	184	184	184	184
1995	184	184	184	184	184	184	184	184	184	184
1996	184	184	184	184	184	184	184	184	184	184
1997	184	184	184	184	184	184	184	184	184	184
1998	184	184	184	184	184	184	184	184	184	184
1999	184	184	184	184	184	184	184	184	184	184
2000	184	184	184	184	184	184	184	184	184	184
2001	184	184	184	184	184	184	184	184	184	184
2002	184	184	184	184	184	184	184	184	184	184
2003	184	184	184	184	184	184	184	184	184	184
2004	184	184	184	184	184	184	184	184	184	184
2005	184	184	184	184	184	184	184	184	184	184
2006	184	184	184	184	184	184	184	184	184	184
2007	184	184	184	184	184	184	184	184	184	184
2008	184	184	184	184	184	184	184	184	184	184
2009	184	184	184	184	184	184	184	184	184	184
2010	184	184	184	184	184	184	184	184	184	184
2011	184	184	184	184	184	184	184	184	184	184
2012	184	184	184	184	184	184	184	184	184	184
2013	184	184	184	184	184	184	184	184	184	184
2014	184	184	184	184	184	184	184	184	184	184
2015	184	184	184	184	184	184	184	184	184	184
2016	184	184	184	184	184	184	184	184	184	184
2017	184	184	184	184	184	184	184	184	184	184
2018	184	184	184	184	184	184	184	184	184	184
2019	184	184	184	184	184	184	184	184	184	184
2020	184	184	184	184	184	184	184	184	184	184
2021	184	184	184	184	184	184	184	184	184	184

[illegible]

12 Month	High	Low	Stock	Div	Yld	P/E	52w	High	Low	Latest	Ch
M-I-M											
4 1/2	7 1/2	4 1/2	2-MAC	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	3-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	4-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	5-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	6-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	7-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	8-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	9-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	10-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	11-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	12-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	13-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	14-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	15-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	16-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	17-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	18-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	19-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	20-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	21-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	22-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	23-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	24-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	25-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	26-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	27-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	28-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	29-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	30-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	31-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	32-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	33-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	34-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	35-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	36-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	37-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	38-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	39-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	40-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	41-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	42-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	43-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	44-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	45-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	46-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	47-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	48-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	49-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	50-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	51-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	52-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	53-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	54-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	55-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	56-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	57-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	58-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	59-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	60-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	61-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	62-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	63-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	64-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	65-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	66-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	67-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	68-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	69-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	70-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	71-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	72-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	73-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	74-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	75-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	76-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	77-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	78-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	79-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	80-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	81-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	82-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	83-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	84-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	85-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	86-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	87-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	88-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	89-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	90-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
1 1/2	1 1/2	1 1/2	91-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
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1 1/2	1 1/2	1 1/2	98-MAS	0.00	0.00	0.00	115	20 1/2	15 1/2	16 1/2	+
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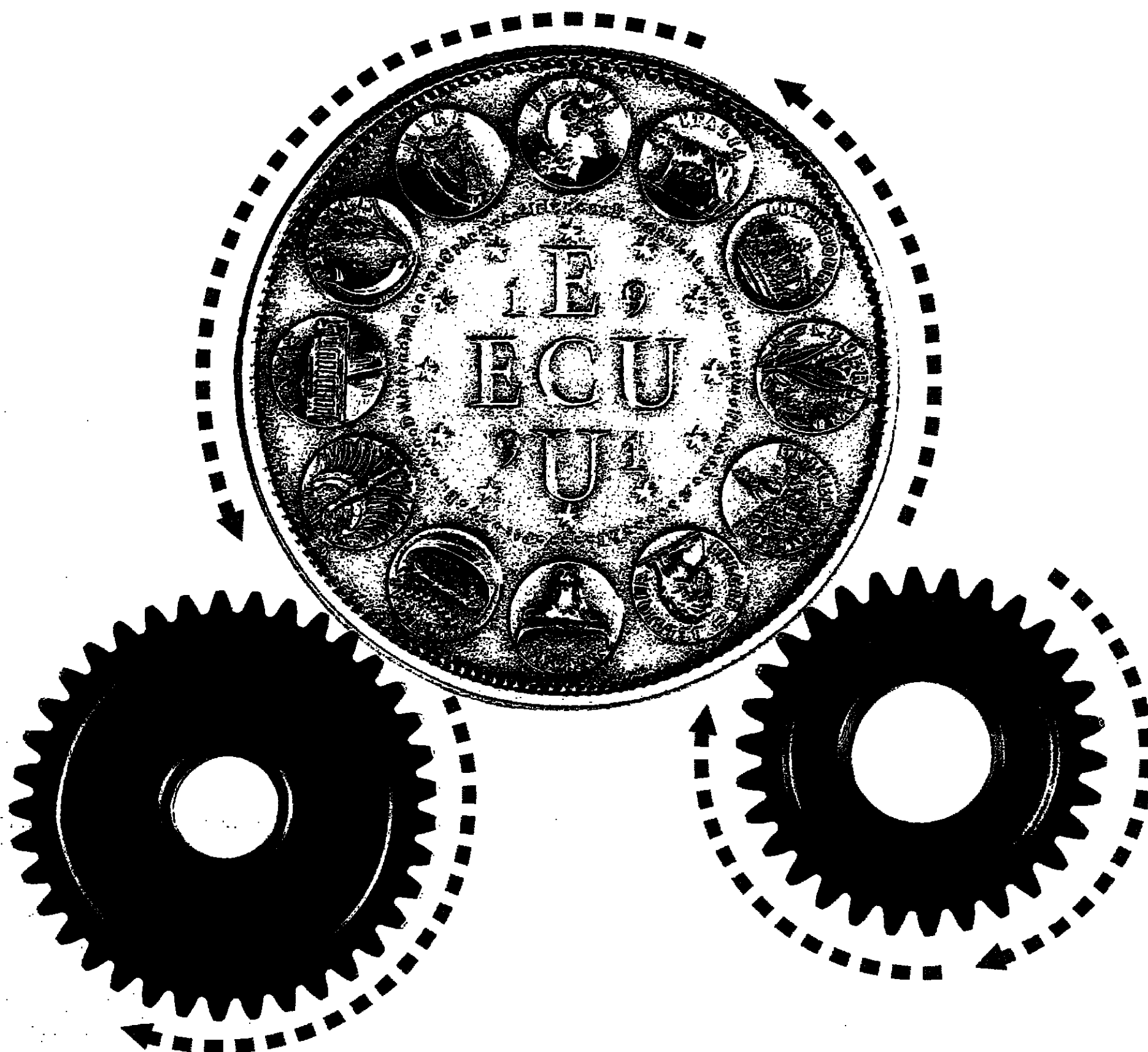
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4<sup>TH</sup> ANNUAL MATIF ECU CONFERENCE

# The single currency system is already up and running



Aware of the risks and opportunities associated with the construction of the European economy, MATIF, the Marché À Terme International de France, is actively contributing to the development and promotion of the ECU market. From 1990, a long-term ECU bond futures contract was introduced to hedge ECU interest rate risk. This contract has benefited from the spectacular development of the ECU bond market.

Every year since 1991, MATIF has gathered together the greatest European economic experts to analyse the evolution of the economic and monetary construction of Europe. This year, debates were focused around the single currency and the 1999 deadline. All speakers, including Valéry Giscard d'Estaing, former President of the French Republic, and Jean-Claude Trichet, Governor of the Banque de France, agreed that the process towards the single currency was irreversible and that all component parts were combined to ensure its success. The convergence of monetary policies confirms this.

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# THE MONEY REPORT

## FIRST COLUMN

### Is There A Place for Speculation?

If you read an investment tip in the press, it must be a good one. Obvious nonsense that this saying is, it does contain a grain of truth or substance. Indeed, the more credible members of the financial press do offer their best efforts to produce honest reporting that is also objective. And they genuinely care that proper names are spelled correctly.

So, what is the value of pure investment speculation? Speculation is a departure from the reporting norm in that it offers us not fact, but possibility. The possibility is often remote, but it can result in the transformation of small investments into worthwhile capital sums.

The stock, warrant and option plays addressed in this week's section are speculative investments. They are not necessarily good ones. Readers investing in the calls made here should only put up money that they are prepared to lose because, in many cases, it is entirely conceivable that they will lose all of it.

For the novice investor, moreover, it is always a good idea to consult a professional adviser before signing any checks.

A further caveat concerns the limited nature of the medium of print amid lightning-fast financial markets. To be sure, print media are excellent vehicles for the dissemination and storage of information, even today. Technology, for all its advances, has yet to provide anything as useful (for the price) as these portable information stores that are easily accessible.

So, provided they are careful about their publication and printing processes, print media can usefully distribute information about supposedly "hot" securities. They can send a "buy" signal.

But amid modern, electronic markets, print is too crude an implement through which to send the "sell" message. Why? Because readers may simply get that message too late.

We shall, of course, report on the progress of the investment calls made this week, within about six months.

To repeat, however: *caveat emptor*.

M.B.

## But How Speculative an Investment Is It? Risk Analysis Has Answers

By Martin Baker

**S**PECULATIVE investment is easy enough to define. It is a process whereby the investor takes a large risk in the hope (rather than the expectation) of a high reward. But what is investment risk? How does one define what lies at the very heart of speculative investment? Here we begin to encounter considerable difficulty.

Risk has been described as the investment world's equivalent of death and taxation: It has always been with us and always will be. Yet the assessment of risk has only recently come to prominence as one of the most important areas of analysis in today's markets.

"There's no doubt that people are much more interested in managing risk than they ever were," said Ciaran O'Hagan of J.P. Morgan's Paris office. "The response to 'RiskMetrics,' which tells people how to manage trading risk using volatilities and correlations between different markets, has been absolutely astounding. We held a conference about the system in Paris in October, and we had to turn people away, there were so many."

The J.P. Morgan RiskMetrics method attempts to provide a comprehensive picture of the riskiness of holding a particular mix of assets. If, for example, every time Japanese bonds rose French bonds fell, the overall risk run by investors holding those assets as a matched pair would be relatively low—even if both markets were very volatile. Many criteria are utilized:

- Risk assessment criterion number one: volatility.

Financial academics disagree over the precise meaning of volatility. But a reasonable working definition for investment purposes is: The fluctuation in price that an investment such as a share or a bond experiences over time.

Time is relevant, since a 10 percent gain or loss in a stock price would not be considered a volatile move if it occurred over the course of a year. If the move were to happen in the space of two trading days, however, this undoubtedly would be considered volatile. So much so that it would probably excite the interest of market regulators.

In short, volatility, being the susceptibility to sudden swings in price, is one of the oldest and crudest measures of the riskiness of an investment. The error in the thinking of the amateur investor who thinks that price is all and volatility is irrelevant is well illustrated by a practical example:

### Speculative Investing III

Page 17

The warrant market  
One persuasive pick  
Damage-causing rumors  
Betting on Lloyd's

Page 19

Two Russian stocks  
Time to 'put' up?  
Plenty of global plays

Readers are advised that the stock, warrant and option investments featured are speculative. There is a high level of risk commensurate with the potential rewards. Amateur investors should seek professional advice before committing any money.

David Swensen, head of Yale University's \$3.5 billion endowment fund, looked into the long-term performance of various classes of assets. He revealed the results of that research to International Fund Investment, the International Herald Tribune's quarterly mutual fund magazine.

Mr. Swensen discovered that every dollar invested in U.S. Treasury bonds in 1925 would have been worth around \$12 earlier this year. After discounting inflation, the investor would be looking at a profit of some \$3.

Each dollar invested in the mainstream share market, however, would have grown to around \$800 this year. And, most impressively, a dollar invested in small-company stocks since 1925 would have been worth around \$2,750.

The figures appear to speak for themselves, until you look at the volatility of these investments. Bonds are relatively solid, main-market shares fluctuate (investors would have had to endure the 1929 crash, for example), and small-company shares buck and rear like a crazy horse.

Mr. Swensen discovered that a dollar invested in small companies in 1925 would have been worth just a few dimes in 1932. "No investor could stand that scale of volatility," he said.

- Criterion two: Volatility as a function of performance.

In plain English, this is the trade-off between how much money you make from an investment and how much you have to worry about it. It is known as risk-adjusted return, or, in the algebra of the financial markets, alpha.

### U.S. Equity Mutual Fund Averages

Total Assets \$Bn	Objective	P/E Ratio	P/B Ratio	Cash %	Turnover %	Yield %	Exp %	Morningstar Rating	Return	Risk	Rating
Aggressive	25.4	4.1	13.6	121	0.1	1.84	1.29	1.31	***		
Equity-Income	18.9	2.7	6.3	61	3.0	1.35	0.78	0.69	***		
Growth	21.1	3.6	9.8	81	0.7	1.38	0.99	0.94	***		
Growth and Income	18.7	3.1	8.6	63	1.8	1.22	0.80	0.80	***		
Small Company	22.9	3.4	9.3	78	0.4	1.37	1.34	1.14	***		
Europe Stock	20.6	2.3	6.2	99	0.7	1.85	0.43	1.23	**		
Foreign Stock	29.2	3.2	7.2	56	0.5	1.64	1.32	0.98	***		
Pacific Stock	34.6	3.2	8.5	56	0.3	1.77	1.39	1.59	***		
World Stock	29.7	3.1	10.1	80	0.5	1.93	0.94	0.95	***		
Spec.-Financial	12.9	1.7	7.8	74	0.8	1.58	1.85	1.10	****		
Spec.-Health	27.4	4.3	9.8	101	0.4	1.56	1.39	1.38	***		
Spec.-Natural Rsrcs	28.8	2.4	7.8	84	0.6	1.81	0.45	1.11	**		
Spec.-Precious Mts	36.9	3.6	6.3	79	0.4	1.73	0.32	2.11	**		
Spec.-Technology	25.8	5.3	13.2	172	0.2	2.06	1.82	1.40	****		
Spec.-Utilities	16.7	2.2	7.0	50	4.1	1.27	0.71	0.68	***		
Spec.-Unaligned	23.4	2.7	9.9	97	1.1	1.61	1.21	1.05	***		
Equity Average	22.8	3.3	9.0	76	1.0	1.47	-	-	-		

Source: Morningstar

### Tracking a Fund

Performance analysis by the fund analysts  
Microanal of the Framlington Capital fund.  
Fund sector: U.K. equity growth.

★	★	★	★	★
Performance	★	★	★	★
Volatility	★	★	★	★
41/129 funds				
80/129 funds				

### Microanal 6 Month Indicators

Fund Performance

— 6.2%

Fund Relative to Sector

— 1.8%

Fund Relative to FTSE All Share

— 4.6%

% return (offer-offer)

Sector Average

Framlington Capital

1 2 3 4 5 6 7 8 9 10 11 12

Fund Information

Launch date: 13 Jan. 1989. Charges:

Initial 5.00%, Annual: 1.25%, Spread: 6.37%.

Price: Inc Units: Offer 321.0p, Bid 302.0p.

Yield: 1.59%. Distribution xtd date: Mar/Sep.

Payment date: May/Nov.

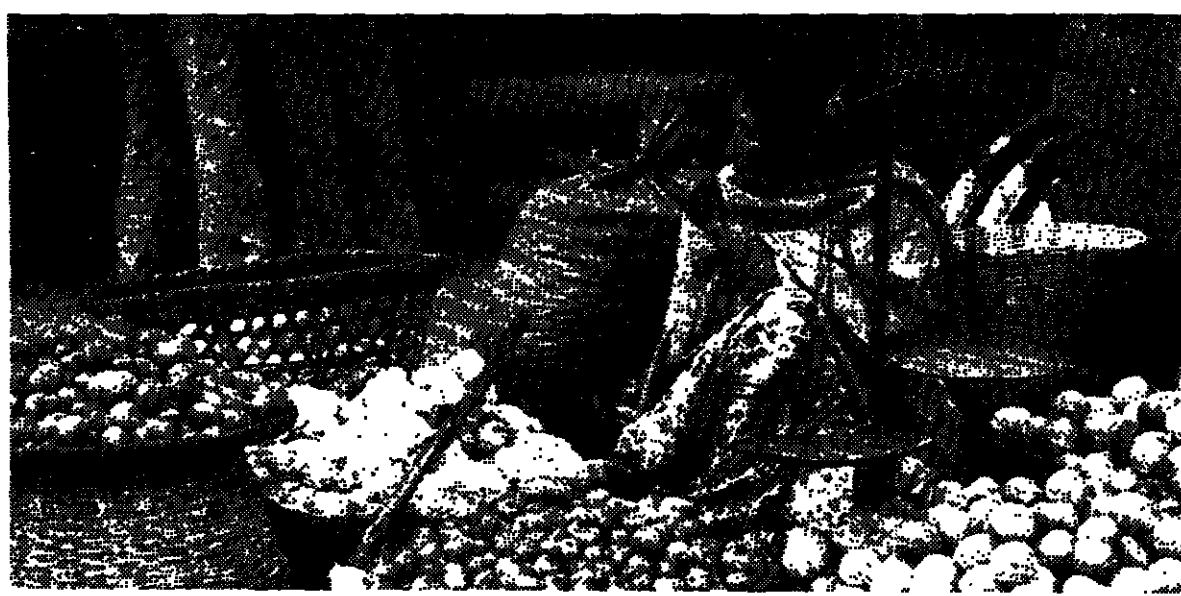
Trustees: Lloyd's Bank plc. PEP Available: Yes.

Minimum Investment: £500.

Regular Savings: £50 per month.

International Herald Tribune

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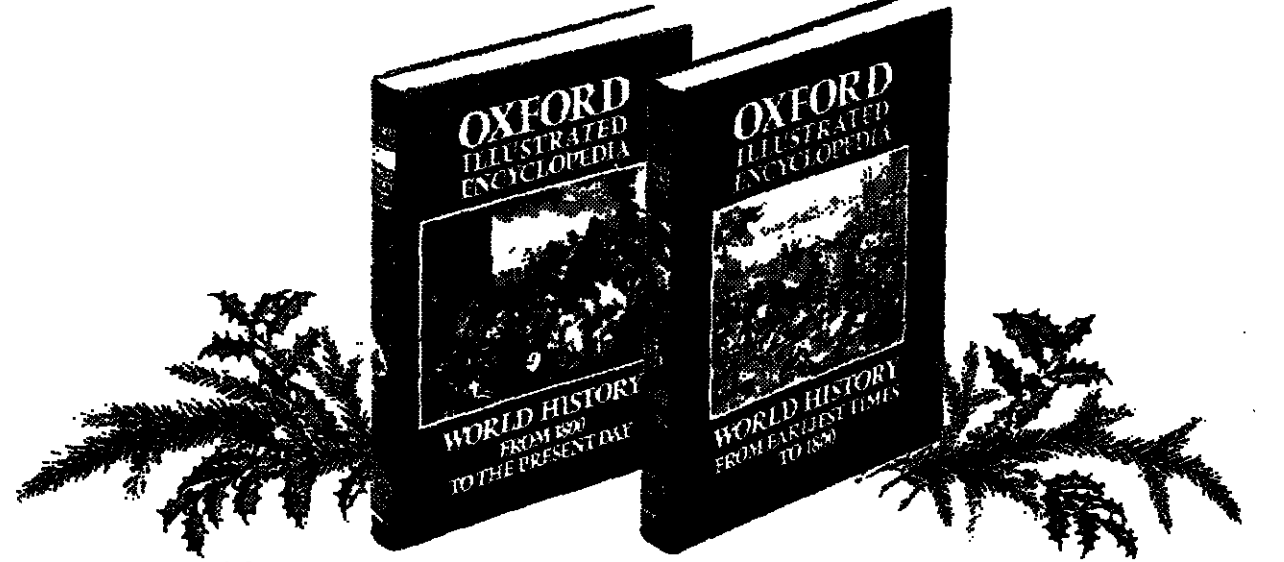
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## THE MONEY REPORT

## Warrants: Are the Risks Worth a Shot At a Big Payoff?

By Rupert Bruce

THE Kleinwort Emerging Markets Investment Trust, like most emerging-market funds, carries the prospect of great rewards at the cost of high risk.

The ordinary shares in this U.K.-listed fund are speculative enough for some, but for those interested in a bit more excitement, warrants for the fund are also available.

Warrants are highly-leveraged securities for which investors pay a small price now — usually a fraction of a company's or fund's current share price — for the right to buy a certain number of shares at an "exercise price" within a defined time frame. These are known as "call" warrants. "Put" warrants, which offer similarly-arranged rights to sell shares, are also sometimes available, but companies don't issue them on their own stock.

Investors buy call warrants only when they think a company's or fund's trading price will rise to a point higher than the sum of the exercise price and the cost of the warrant itself. If the trading price stays lower than the exercise price during the life of the warrant, the warrant is said to be "out of the money."

In the case of the Kleinwort warrants, the exercise price is £1 (\$1.56). At the fund's recent trading price of 80 pence, the warrants were still out of the money, but they do not expire until 2004.

During the last 12 months, the effect of the Kleinwort warrants' leveraging has sent them shooting up by about 60 percent, compared with a rise of about 20 percent in the fund's trading price. But the risks of short-term warrant plays are high. A longer-term investment

in the warrants of a well-managed, emerging-markets fund, while still a gamble, is at least a more calculated one, say analysts.

"Any investment in an emerging-markets investment trust warrant needs to be looked at on a long-term basis, and the buyer needs to be aware that the value can fluctuate quite sharply over the short term," said Simon White, managing director of Kleinwort Benson Investment Trusts.

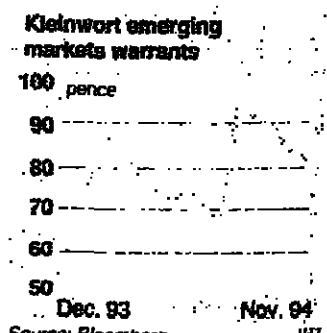
"But if you take a long-term view that the emerging markets are going to show significantly greater growth than developed economies, this seems a reasonable drawback to accept to get the gearing that warrants give on that growth."

According to the International Finance Corporation, the private-sector division of the World Bank, gross output on a per-capita basis will grow at an average of 4 percent in emerging markets during this decade compared with 2.6 percent in developed markets. Mr. White takes this forecast to imply that the economies and stock markets of developing countries will also grow at faster rates than those in mature markets.

A large family of emerging-markets funds has grown up during the 1990s as more investors have become interested in global diversification. These funds may invest in such countries as Latin America or Central Europe, or developing markets across the globe.

But emerging-markets funds with warrants attached are relatively rare. Those that do exist are often domiciled in offshore centers and listed on the London Stock Exchange.

Alexander McHattie, editor of a U.K. newsletter called Warrants Alert, recommends a few other calculations for judging



the value of a warrant. The "premium," he said, is calculated by adding the warrant price to the exercise price, subtracting the share price, then dividing that total by the share price and expressing the result as a percentage.

In the case of the Kleinwort fund, the so-called premium, which analysts use to assess the value of warrants, is 46 percent. The higher the premium, the more expensive the warrant.

A considerably more complicated calculation also gives the "capital fulcrum point." This is the annual percentage growth of the equity required for investors to do equally well in terms of capital appreciation with either the equity or the warrant.

Mr. McHattie recommends the Templeton Emerging Markets Investment Trust warrants for the combination of their long lives (they expire in 2004) and the fund's underlying high quality. They are expensive, with a premium of 57 percent, he said, but have a reasonable capital fulcrum point of 7.5 percent. "The fundamental record of that trust is the best in the sector," he said.

Mr. McHattie also likes the warrants on the Five Arrows Chile Fund, a Guernsey-registered vehicle run by Rothschild Asset Management. The warrants expire in 1999.

Jon Szymanski, an investment trust analyst and a director at the investment bank SG Warburg Securities, recommends warrants on the Edinburgh Inca Fund, a London-listed investment trust that invests in Latin America. It has a premium of 63 percent.

Mr. Szymanski also likes the Edinburgh Dragon Fund warrants, which have a 25 percent premium and expire in 2005.

## The Case for One Company's Warrants

By Barbara Wall

ALL analysts of the warrant market have their own favorite picks. Mike Scott, warrant portfolio manager for the U.K.-based brokerage Hargreaves Lansdown likes BTR PLC, the international engineering, rubber and plastics conglomerate.

"Brave investors may be interested in the 1997 warrants issued by BTR PLC," said Mr. Scott. "It's one of the biggest companies listed in the FT-SE 100 index and, although extremely volatile, these warrants seem poised for a significant recovery."

Mr. Scott explained that BTR warrants have halved in value over the last month as its ordinary shares have collapsed following a less-than-encouraging corporate statement about future prospects. "The statement, which followed the release of the company's three-year results, basically said that BTR was struggling to maintain margins as it was unable to pass on commod-

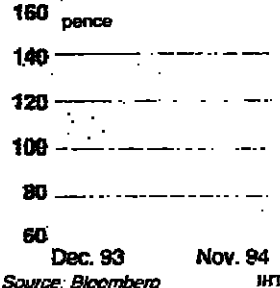
ity price increases to the consumer," said Mr. Scott. "As BTR has always been perceived as a growth company, market analysts automatically concluded that BTR was no longer a worthwhile investment," he added.

Mr. Scott believes the market has over-reacted: "BTR is basically a sound financial concern. Shares are currently yielding 5.3 percent — more than the average U.K. building society or bank is paying at the moment — and this is likely to attract interest from institutional investors who are looking for income."

BTR 1997 warrants have fallen to an all-time low of 61 pence (95 cents) from a high of 144 pence in June. But it is widely held that they are unlikely to fall by much further. In addition, Mr. Scott notes that they are currently geared by a factor of 4.6, which makes them extremely attractive considering that the warrant-market average is currently a factor of 3.

The capital fulcrum point, which is the annual percentage growth of the

BTR 1997 warrant



equity required for investors to do equally well in terms of capital appreciation with either the equity or the warrant, is also favorable at 5.42 percent. The average CFP is currently 8.45 percent.

"Although the underlying shares have lost about one third of their value, which is more than the market lost in the 1987 crash, there is clearly a level below which the shares will not fall," noted Mr. Scott. "Moreover, with three years to go before the warrant expiration date, BTR shares need only get back to a fraction of their original price for the 1997 warrants to be profitable."

## Beware of the Rumor Mill's Grist

By Michael D. McNickle

EXECUTIVES OF THE Widget Corp. (real company, fictional name) were angry. Someone was publishing nasty rumors about the firm on a widely read electronic bulletin board. The firm's shares took a hit.

The accusations were extraordinary. There were allegations that could shut the firm's doors. The problem: None of it was true.

Lois O. Rosenbaum, an attorney with Steel, Rives, Boley, Jones and Grey, an Oregon law firm, said that people "can pass rumors in the market, not get any verification, and they can be completely made-up. But because rumors spread, they can affect the price of a stock very quickly. And no one's there to monitor that."

"I think the SEC ought to be monitoring this more closely," she added, referring to the U.S. Securities and Exchange Commission.

So, how can the individual investor protect himself against the effect of unsubstantiated rumors? Who starts rumors and why? Is there any way to tell a true one from a false one?

It depends. Even sophisticated analysts and market watchers can get taken in by situations beyond their control.

Patrick Fitzgerald, president of the Chicago-based Option News Exchange, an electronic news service, notes that anyone can be victimized.

Mr. Fitzgerald cited an example. He said he owned some shares of a large, well-respected public company when a columnist — whom Mr. Fitzgerald said was widely regarded as a leading source of unconfirmed rumors — reported with a sense of great urgency that the company was under investigation by the U.S. Securities and Exchange Commission.

"The stock started getting pummeled," said Mr. Fitzgerald. "It was an SEC investigation that had been underway for nine months. But this was known and had been previously priced in" to the share price.

The information the columnist reported was apparently true, but what made the share price drop was the appearance of conveying a new revelation — even though the actual "news" was old hat. Like propaganda, analysts say, many rumors about financial markets rely on a tiny grain of truth.

Rumors regarding possible takeovers, experts note, can move stock prices of individual equities up and down for years. One way to avoid such problems, many add, is to buy shares

based on fundamentals, hold them, and ignore rumors all together.

Another approach, observes Don Fishback, of Ohio-based Fishback Management and Research, an option consulting concern, is to watch the option volume and option volatility of companies involved in takeover rumors.

In a takeover, Mr. Fishback said, major investors will often markedly increase their options positions to hedge or profit from price moves.

Similarly, Larry McMillan, publisher of The Options Strategist newsletter, based in Morristown, N.J., keeps a careful eye on option volume and reports activity in a daily fax.

"These things that I look for are more than rumor," he said. "Because someone's actually buying the options... actually putting their money into it. One of the assumptions that we make is that [it's] a little bit more than a rumor."

Many rumors, analysts say, are started by professional investors hoping to create volatility that produces trades for traders and commissions for brokers.

Shannon Terry, an analyst with SGA Goldstar Research, a Nashville investment advisory whose products include a daily fax of stock rumors, said that while there isn't any one source of rumors, a good deal of them come from traders, brokers and some financial public-relations firms trying to create a buzz about a client's shares.

Stephen G. Macklem, a general partner of Arauca Trading, a Chicago risk-arbitrage firm, adds arbitrage to the list of rumor-starting culprits. He notes that an arbitrageur working on a merger might spread the word that the deal was going to fall through, hoping to push down the share price of the target company.

Another analyst said that the key to understanding market rumors was to look at the short sellers, who have an interest in seeing stock prices dive. A short seller sells shares that he does not own, based on a bet that the stock price will drop.

Sometimes the "shorts," as they're known, can't wait for the stock price to drop on its own, so they conjure up rumors designed to bring the price down.

Rumors travel by word of mouth, rendering the discovery of the person who actually began the story virtually impossible.

French academic Jean-Noel Kapferer in his book "Rumors — Le plus vieux média du monde" (Rumor — the world's oldest information medium) argues that rumor is never attributable, that it is by definition, an alter-

native to official or accountable stories. Mr. Kapferer sees rumor as an alternative system of disseminating information — some of which is true, and some false.

According to Mr. Kapferer, the informal, unaccountable nature of rumor meant that it was instrumental in the speculative frenzy surrounding sugar in the 1970s. Between 1968 and 1974, the price of sugar multiplied by a factor of more than forty. Rumors abounded that the Philippines were suspending exports and that American investors were in the market, buying massively and hoarding for profit. The sugar price ultimately peaked in 1974 when the Polish government embargoed the export of 120,000 tons of sugar.

Yet a cursory glance at the fundamentals of supply and demand would have revealed that there was little sense in the continued rise in the commodity's price. Mr. Kapferer attributes the surge to speculative greed fueled by rumor: "Rationality gave way to scrupulously nurtured dreams and imagination," he writes. Ultimately the sugar price subsided almost as quickly as it had risen.

So the moral for speculators is clear: He who lives by rumor, dies by rumor too.

"Rumors — Le plus vieux média du monde" is available (in French) from Editions Seuil.

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## November Market Scoreboard

Best Performers		Worst Performers	
Stock Index	% change	Stock Index	% change

New York Stock Exchange			
Long Development Corp	14.5%	17.0%	24.8%
Chen Corp	12.2%	14.1%	22.0%
North Pacific Corp	10.5%	12.0%	21.1%
Legend Corp	10.0%	12.0%	20.4%
Health Corp	9.5%	11.0%	19.4%
Health Development Corp	9.0%	11.0%	19.3%
Storage Technology Corp	8.5%	10.5%	18.5%
Data General Corp	8.0%	10.5%	18.2%
Dynasty Int'l	7.5%	10.0%	18.0%
Activision Group	7.0%	9.5%	16.7%

Frankfurt Stock Exchange			
Fluoridin Vorrang	12.5%	12.0%	37.2%
Porsche Vorrang	12.0%	11.5%	32.0%
Lufthansa Vorrang	11.5%	11.0%	24.8%
Gabig	11.0%	10.5%	22.0%
Lufthansa Vorrang	10.5%	10.0%	21.5%
Valeo & Stahl Vorrang	10.0%	9.5%	21.1%
Bayer Hypothek Bank	9.5%	9.0%	20.0%
Walter Rau Vorrang	9.0%	8.5%	19.4%
Metallgesellschaft	8.5%	8.0%	18.2%

Paris Stock Exchange			
Bond Caisse	12.0%	11.5%	18.5%
Thomson CSF	11.5%	11.0%	18.0%
Compagnie Benetton	11.0%	10.5%	17.5%
Chirac SA	10.5%	10.0%	17.0%
CFR (Cof. Paris Rénovée)	10.0%	9.5%	16.5%
Sinco	9.5%	9.0%	16.0%
North End	9.0%	8.5%	15.5%
UAP (Compagnie)	8.5%	8.0%	15.0%
Parifin (Cof. Rénovée)	8.0%	7.5%	14.5%
Paris	7.5%	7.0%	14.0%

London Stock Exchange			
London	12.0%	11.5%	18.5%
London International	11.5%	11.0%	18.0%
London City	11.0%	10.5%	17.5%
London City Holdings	10.5%	10.0%	17.0%
Data PLC	10.0%	9.5%	16.5%
BBA Group	9.5%	9.0%	16.0%
Continental (UK) Group	9.0%	8.5%	15.5%
Continental Instruments	8.5%	8.0%	15.0%
ASDA	8.0%	7.5%	14.5%
Wright	7.5%	7.0%	14.0%

Tokyo Stock Exchange			
Indagator Co	12.0%	11.5%	18.5%
Saito	11.5%	11.0%	18.0%
Hoya Corp	11.0%	10.5%	17.5%
Japan Pharmaceutical Co	10.5%	10.0%	17.0%
Japan Soda Co	10.0%	9.5%	16.5%
Japan Steel Works	9.5%	9.0%	16.0%
Japan Steel Works	9.0%	8.5%	15.5%
Japan Steel Works	8.5%	8.0%	15.0%
Japan Steel Works	8.0%	7.5%	14.5%
Japan Steel Works	7.5%	7.0%	14.0%

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## THE MONEY REPORT

### In Russia, a Tempting Telecom...

**T**HAT Russian equities are speculative is obvious from most investors' point of view. Indeed, even the most optimistic salesmen of Russian stocks would admit that the inherent political and financial risks are daunting. But some market followers believe that prices are still cheap and could rise a long way from current levels.

Jim Mellon, chairman of the Hong Kong-based fund management firm Regent Pacific, says that AO Rostelecom, the

Russian long-distance telephone company, has great long-term potential to grow. But he's also expecting a big share-price rise in the short term.

"If you buy it now you will beat many emerging-market funds that will only be able to buy into the market when the central depository system is in place next year," he said. "The stock could go up five to 10 times."

AO Rostelecom was recently trading on over-the-counter

markets at around \$4.50 a share. This put it at a price-earnings multiple of about 11 times estimated 1994 earnings, as calculated by the investment bank CS First Boston.

Analysts say this is cheaper than multiples for comparable telecom companies in other emerging markets. But many wonder if the value is worth the risk.

Rostelecom has a market capitalization of around \$1 billion and was privatized in April.

### ... And a Promising Oil Company

**T**HE Russian oil and gas company LUKoil is being cited by many analysts as a speculative play worth investigating. LUKoil is the largest "vertically integrated" oil concern in Russia, meaning that it is active in exploration and production as well as in refining.

"The best method of pricing these companies is by barrels of proven reserves," said an analyst of Russian equities who insisted on anonymity. "This

makes LUKoil appear very cheap by comparison with its Western counterparts, and that is based only on existing resources. Obviously, there is massive potential because Western exploration technology has not yet been applied in Russia."

The investment bank CS First Boston estimates that at the company's current share price of around \$36, its proven reserves are priced at 64 cents a barrel. But the bank warns

that this figure is based on consensus estimates of resources, since precise figures are not disclosed by the company. Comparable energy companies in the West are currently priced at around \$5.50 to \$6.50 per barrel of proven reserves.

The fact that there are so few reliable financial figures for many Russian equities illustrates the degree of risk. Indeed, as yet, LUKoil publishes no annual profit and loss figures.

—Rupert Bruce

### An End-of-Year 'Put' Up

**H**ERE is a pure, speculative play. You could double your money in a matter of weeks — or you could lose it all. You have been warned.

The idea is a simple one. The investor bets on the possible fall of an index by buying a "put" option. A put option confers the right, but not the obligation, to sell the index at a certain price over a certain period of time. If the index falls, the option becomes valuable — very valuable if the index moves down appreciably. If the index doesn't fall during the life span of the option, the investor loses all his money.

The index in question is the Amex Computer Technology Index, identifiable by the ticker XCI. It is traded on the American Stock Exchange in New York.

The arguments for buying puts — for betting that the index will fall — center on a number of points. The most compelling are "technical" in that they pay more attention to the li-

quidity in the market and the number of buyers and sellers, as opposed to "fundamental" issues, such as the long-term viability of technology stocks.

Technical argument number one is that U.S. mutual funds, until recently awash with cash, are facing redemptions. Mutual funds have been big buyers of technology shares, and the index has spiked up sharply in recent weeks. Now, redemptions are up. Investors want their money back, so managers must sell to honor the redemption checks.

Secondly, some analysts feel that the traditional year-end rise in these stocks has come early. There is no more money to support these stocks, goes the argument, and they should fall sharply in the short term.

January puts, offering the right to sell the XCI at 145, are currently priced at \$1. This week, the index was at about 160.

Good luck.

—Martin Baker

### No Lack of Speculative Plays In Global Investment Markets

By Aline Sullivan

**S**PECULATIVE stock market investors have rarely enjoyed so much choice. The collapse of Communism and the rise of emerging-market economies have combined to offer a dazzling array of high-risk, high-reward possibilities.

The hazards can take many forms. Indeed, the ebb and flow of political tides in areas where free-market economies are still in infant stages can destabilize those markets in fairly short order. But the chance to tap into huge potential at bargain-basement prices is proving irresistible to many investors.

South African gold shares afford some excellent speculative investment opportunities, according to Jonathan Neill, a fund manager at the London arm of Pictet & Co, the Swiss private bank. "The sector has underperformed the IFC emerging-market index by 90 percent since the late 1980s," he said. "But the political worries are almost behind us now and shares should start to pick up."

Mr. Neill is advising clients to buy shares in a host of South African gold-mining companies, including Driefontein Consolidated Ltd., Kloof Gold Mining Co., and Vaal Reef Exploration and Mining Co. Stocks in high-technology companies are also widely perceived as speculative by the analyst community. While shares in high-tech concerns can leap in value if the market likes their products, sustaining that momentum is a trick that few manage for long periods of time.

Peter Sullivan, a European equity analyst at Merrill Lynch in London, is advising his clients to buy shares in the Finnish cellular-telephone concern Nokia AB. He said that Nokia should be considered a speculative buy because the shares have more than doubled in each of the past two years.

"Nokia's valuations are still attractive," he said. "I expect the stock to appreciate at least another 20 percent next year. But the cellular business can change very quickly and investors should be ready to bail out if a big new competitor comes

into the market or there is an adverse change in the value of the market."

Nokia shares are trading at about 15 times the company's estimated 1995 earnings, compared with a PE ratio of around 55 last year, Mr. Sullivan added.

Some companies are able to evolve in line with changes in the marketplace. Shares in Aydin Corp., a defense, electronics and communications group based in Hershey, Pennsylvania, plunged to about \$11 per share from around \$28 in the early 1990s due to the downturn in the U.S. defense industry.

But David Katz, chief investment officer at Matrix Asset Advisors in New York, rates the company a good speculative buy because it is using its defense technology to transform itself into a wireless communications manufacturer.

Mr. Katz said that Aydin shares should rebound to \$20 over the next 18 months and then climb substantially higher. "Wireless communications will grow by leaps and bounds," he said. "We feel that Aydin will become well known in this industry."

Another speculative strategy is to buy shares in companies that have been sold off by large corporations. The risk in this approach was well illustrated by the case of O'Sullivan Industries Holdings Inc., a manufacturer of ready-to-assemble home and office furniture that was formerly a division of consumer electronics concern Tandy Corp.

O'Sullivan, based in Lamar, Missouri, has suffered from sales shortfalls and distribution problems since being offered to the public by Tandy earlier this year, resulting in a huge drop in its share price. But, according to Mr. Katz, these teething problems are now almost over. Shares should rebound over the 18 months, he said.

Both Aydin Corp. and O'Sullivan Industries, add other analysts, are examples of "turnaround" situations where investors have the opportunity to buy shares ahead of a revival in fortunes.

Paul Williams, an equity analyst at NatWest Markets in London, said he liked four Brit-

ish companies as speculative plays: Aran Energy PLC, media services concern Aegis Group PLC, chemical company MTM PLC, and BM Group, a construction equipment manufacturer.

The turnaround scenario and the risk that fortunes won't actually improve is by no means confined to small or medium-sized companies, stress analysts. A number of corporate giants currently offer similar opportunities. Mr. Neill at Pictet & Co. said that Japanese banks constituted "a very bombed-out sector in a very bombed-out market" that many investors fear will not pick up.

But shares in the some of the banks could still be attractive. Mr. Neill noted that Kita-Nippon Bank's market capitalization represents only 3 percent of its total deposits, compared with a high of 10.5 percent in 1990. Tomato Bank's market cap is about 5.3 percent of deposits, compared with 11.4 percent in 1990. Mr. Neill added that U.S. banks have an average market cap of around 30 percent of deposits.

Several European banks and insurance companies have also underperformed their relative sectors in recent years and could be ripe for a rebound. François Langlade, an analyst at CS First Boston in London, is advising clients to buy shares in Assurances Générales de France, Banco Popular Español SA in Spain and Svenska Handelsbanken in Sweden.

Speculating is also rife in Russia, where companies such as oil concern LUKoil and telecom company AO Rostelecom are piquing the interest of international investors. But the market is currently so volatile that Richard Greer, head of equity research at Baring Securities in London, refers to it as a study in "jungle capitalism."

Mr. Greer adds, however, that the myriad opportunities in Russia, combined with an underdeveloped regulatory climate, have already resulted in the amassing of considerable personal wealth for investors who haven't shied away from the risks. He said that values in some Russian companies could triple over the next nine months.

## BRIEF CASE

### At Banque Indosuez, A 'Euro-Small' Fund

Banque Indosuez is launching a new mutual fund that will invest in European small companies. The vehicle will be managed by Indosuez's asset-management arm, which has \$145 billion under management, and will be denominated in Deutsche marks.

The investment brief of the Indosuez European Small Companies Fund is to identify under-researched investment opportunities, and to "stock pick" from "zones" identified by three major markets: France, Germany and Britain. The French zone includes Italy, Spain, Portugal and Greece; the German zone includes Switzerland, the Netherlands, Austria and Eastern Europe; the U.K. zone includes Ireland, Sweden, Norway, Finland and Denmark.

The initial plan is to place 30 percent of assets in each of the three zones, with the remainder invested in cash instruments.

"We're looking for the more sophisticated investors who can accept the sort of risks associated with small companies," said Christopher Kwiecinski, director of investments at Indosuez's private banking arm in Paris.

This fund is designed for investments made over the long term, and represents an ideal medium to take advantage of the typically stronger performance demonstrated by small

companies in a period of recovery.

The fund carries an initial fee of 5.5 percent, discounted for investments substantially above the minimum of 10,000 DM (\$6,410). Annual fees run at 1.35 percent. The fund is domiciled in Luxembourg.

For more information, write Indosuez Asset Management, 46 Rue de Courcelles, 75008, Paris; or call Paris (33.1) 44.20.38 81.

### MFS Wins Top Honor In Broker Survey

MFS Service Center Inc., the transfer agent for mutual fund company Massachusetts Financial Services, has won top honors for service among 39 U.S. mutual fund companies, according to a recent survey of brokers and dealers.

To rate the fund companies, research company DALBAR asked 100 brokerage representatives across the United States to judge services such as the accuracy of transaction requests, the efficiency of confirmations statements and how quickly phone calls were answered.

### Lots of Buyers for U.S. Mutual Funds

Sales of U.S. stock, bond and income funds totaled \$32.2 billion in October, according to figures published by the Washington, D.C.-based Investment Company Institute, the representative association of the U.S.

mutual fund industry. Growth funds were the most popular category, with sales of \$5.2 billion.

Assets held in U.S. mutual funds now total \$2.199 trillion.

### Cater Allen Offers New Offshore Funds

The Cater Allen Group, which claims responsibility for assets of more than \$15 billion, is launching two new offshore funds with conservative investment strategies which the company says are designed "to be suitable for first-time investors."

The Cater Allen Foundation (CAF) Balanced Income and Growth Fund and the CAF High Income Bond Fund have a minimum initial investment level of \$5,000 (\$7,800) and annual charges of 1 percent. The income vehicle has an expected yield of 8 percent, while the growth fund's expected yield is 4 percent.

"Our equity strategy mirrors that of our private portfolio service," said Jeremy Norfolk, managing director of Cater Allen Jersey, in the Channel Islands. "We look for fundamental value, accompanied by balance sheet growth and a record of consistent and above-average earnings and dividend growth. This approach tends to exclude the currently most fashionable, often low-yielding, stocks and markets."

The bond fund will invest

"primarily in high-quality Eurobonds and government debt," says the company.

Regular savings may be put into the funds, starting at £100 per month. Dividends benefit from Jersey's liberal tax laws and are paid in gross.

For more information, call Cater Allen in Jersey on (44.534) 68898.

### Two Korean ADRs Come to the NYSE

The Bank of New York has announced the launch of "the first two publicly traded ADR (American Depositary Receipt), programs for Korean companies. The Korea Electric Power Corporation and the Pohang Iron and Steel Co. both now have ADRs deposited with the Bank of New York. The securities are traded on the New York Stock Exchange.

### A Rebound for U.K. Property Market?

Whatever the fashionable investment gurus may think of it, the U.K. commercial property market has had a strong year. The 1994 report and accounts of the Schroder Exempt Property Unit Trust, a U.K. fund, show a 97 percent increase in capital and a 76 percent increase in the value of its units. Both figures are denominated in sterling.

"The amount of new money in the market for investment property has been consider-

able," said William Hill, the fund's manager.

Mr. Hill added that a further significant boost for property funds was expected from pension funds, some of which have been selling "small direct portfolios in favor of investing in property unit trusts."

### A Big Birthday for Little Investments

Foreign & Colonial, the U.K. fund management group, is celebrating the tenth anniversary of its regular savings plan for small investors. A monthly investment of £25 in the Foreign & Colonial Investment Trust began 10 years ago would now be worth more than £7,000, says the group.

In next week's Money Report: The world's airlines and related industries.

The Money Report is edited by Martin Baker

### Update on May 21 Picks: Won Some, Lost Some

By Martin Baker

**O**UR last section focusing on speculative investments, in the Money Report of May 21, produced both saints and sinners. Let's start with the bad news, and finish with the good.

Leading the parade of the fallen is the warrant market. The market in warrants on funds has fallen in volume and prices have generally slipped over the past six months. The two warrant plays on which we reported proved no exception. Warrants on the Baillie Gifford Japan Trust looked especially interesting at the time because of an apparent pricing anomaly. At 214 pence (\$3.33), the warrants had been slipping off in value even while the equity had been appreciating.

However, it seems the success of the BG Japan warrant was largely dependent on the market doing well. When the market failed to move, the poor performance of the warrant was exaggerated because of its high leverage. Underlying shares in the BG Japan warrant are currently trading at around 641

pence and the warrant itself has more than halved in value, with the price hovering around the 88 pence mark.

Martin Currie European Trust warrants were featured in our May 21 edition because of what appeared to be a readily identifiable price discrepancy between the fund and the warrant. The warrant has not performed to plan (which is to say it has done poorly), but it has not done any worse than most other U.K. investment trust warrants.

This will be scant consolation, of course, to investors who committed money to a security whose price has slipped from 40 pence in April to around 36 pence this week. Meanwhile, the share price of the trust has dropped slightly from 125 pence to around 110 pence over the same time span.

Andrew McHattie, editor of U.K.-based Warrants Alert, a monthly newsletter for private investors, advises holders of Martin Currie European warrants to sit tight on their investments for the time being.

He also suggests that holders of BG Japan warrants exercise extreme caution. "These warrants have become very risky

over the last few months," he said. "As the share price has steadily fallen away from the exercise price, many investors will be tempted to hold on to the warrants, particularly if they feel bullish on Japan."

So here we have the classic speculator's dilemma. Do you accept a loss, or do you reason that if these warrants were a reasonable play in May, now they are sensational value, and should be bought? The answer for those who bought in May should be simple enough: Look back at your original plan for drawing a "stop-loss" limit on speculative investments. If you've already lost what you were prepared to lose, invest no more.

The good news has come from the penny shares featured in May's Money Report. These securities have been very much on the side of the angels: The worst-performing security highlighted was Rodime PLC, which makes computer disk drives. Its share price was unchanged this week at 12 pence. Rodime has been one of the London market's most volatile

securities this year, having traded at between 10 pence and 51 pence. But whatever the volatility, the price is unchanged today from six months ago.

The other penny shares we highlighted have performed in a manner to set the speculative wolves drooling.

Rentech Inc. is a U.S. corporation that transforms low-value carbon solids into valuable liquid hydrocarbons. When we reported on the company, it was coming out of a difficult period, and had just won a contract in China. It was trading on the Nasdaq at \$1.50, and has since risen 20 percent to about the \$1.80 level.

The best performer has been Diversifac Inc., another U.S. corporation that runs a coin-operated copy machine business. In May, the company's shares were trading at around the \$2 level. Now they have risen almost 75 percent to around the \$3.60 mark.

That sounds wonderful. But remember, for some investors, it will just be compensation for losses they took in the warrant market.

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# ABU DHABI

Reaching high: The 150-meter-high Baynunah Tower, one of the tallest buildings in the Gulf, symbolizes the growing achievements and ambitions of Abu Dhabi.

## 'THE CITY IS AWASH WITH LIQUIDITY'

Abu Dhabi is the UAE's most prosperous sheikhdom.

While much of the rest of the world may be passing through economic doldrums, Abu Dhabi continues to expand — upward, as far as construction is concerned. On the corniche, the 150-meter (495-foot) Baynunah Tower is now nearing completion at a cost of more than \$55 million. One of the tallest buildings in the Gulf, it can be seen as a symbol of the "bigger and better" achievements that characterize Abu Dhabi. The emirate is by far the most prosperous of the seven sheikhdoms that make up the United Arab Emirates. Per-capita income last year was more than \$32,000.

Abu Dhabi, which can now pump more than 2.6 million barrels of oil a day, is the second-largest Arab oil producer after Saudi Arabia. Its reserves represent 10 percent of proven global supplies — more than 100 billion barrels. It also has one of the largest gas reserves, estimated at 314,000 billion cubic feet. Annual oil revenues are around \$20 billion, to which should be added income from global investments of about \$120 billion. Local business sources say the federal government has been pumping \$17 billion into the public sector to maintain economic momentum; much has gone to Abu Dhabi, where the city center is being rebuilt.

"The city is awash with liquidity," says Mohammed A. Al Fahim, a leading businessman, "but the [Abu Dhabi] government has monopolized all the big projects." He also says that there is a land shortage on Abu Dhabi island itself. He wants to build a trendy shopping mall, similar to those in neighboring Dubai but cannot find sufficient land.

### Infrastructure improvements key to growth

This year, apart from residential and commercial developments, Abu Dhabi spent 1.9 billion dirhams (\$527 million) on road works and 695 million dirhams on sewerage schemes; it plans to spend another 800 million dirhams on roads next year. One of the biggest single items is the \$1.4 billion Taweeleh B 750-megawatt power station. A new 250-megawatt station is being built at Al-Mirfa, and the power station at Al Ain, where a new international airport has just opened, is being expanded from 250 megawatts to 600 megawatts. Total funds being released for major civil works throughout the UAE are estimated at \$8 billion through the end of 1996; most is targeted for Abu Dhabi.

Currently, the largest capital-expenditure program is a \$5 billion upgrade and development of Abu Dhabi's oil and gas infrastructure, now nearing completion. Oil-industry sources say that the pressure is on to develop the major Upper Zakum offshore oil field quickly so as to start recouping costs. This field may contain half the emirate's total oil reserves.

In 1993, a consortium consisting of Bechtel, France's Technip and CCC of Lebanon was awarded a \$1.3 billion contract to manage and develop onshore gas resources. It hopes to sell most of the gas to Japan.

### \$20 billion for defense by end of decade

Defense spending, expected to reach a massive \$20 billion by the end of the decade, will make Abu Dhabi one of the best-equipped emirates in the Gulf. The UAE government has embarked on a sophisticated offset program.

The government hopes that this will spur a new range of joint ventures, introduce some high-tech industries and bring in new management skills. Economic diversification is paying off. Non-oil exports rose by 15 percent in 1993.

With the prospect of up to \$6 billion in offset funds coming into the economy, Abu Dhabi and the UAE are faced with the embarrassing problem of deciding what is the best thing to do with the money.

## FEDERAL GOVERNMENT LAUNCHES MAJOR OFFSET PROGRAM

With contractors required to reinvest 60 percent of the contract value back into UAE projects, offset funds are expected to pump about \$6 billion into the economy.

One of the biggest regional defense budgets over the next five years is the \$20 billion slated by the United Arab Emirates federal government for the 61,500-strong Union Defense Force. Almost all of this is going to Abu Dhabi, which maintains a degree of independence from the Dubai Defense Force, according to the London-based Institute for Strategic Studies. The total is almost the same as the amount spent by Kuwait following the Iraqi invasion.

One of the biggest single defense orders, placed last June for delivery next year,

is for 436 French-built Leclerc tanks. Abu Dhabi already has 125 main battle tanks. Because of the size of defense expenditures, the federal government has developed a complex and hybrid offset program, whose guidelines were drawn up by Amin Badr-El-Din, chairman of the Offset Group. Basically, contractors have to reinvest 60 percent of all orders over \$10 million back into projects in the UAE during a seven-year period, thus benefiting the local economy. This is mandatory for defense sales and civil projects.

The offset component, according to Mr. Badr-El-Din, can be made up in many different ways; these range from selling products manufactured in the UAE overseas to transfer of technology, manpower training and research and development costs. It is also suggested in some quarters that offset projects might include a joint venture between the foreign contractor and a local partner from the UAE in a third country, so long as the venture benefits the UAE economy.

A few projects have been agreed upon so far. One of

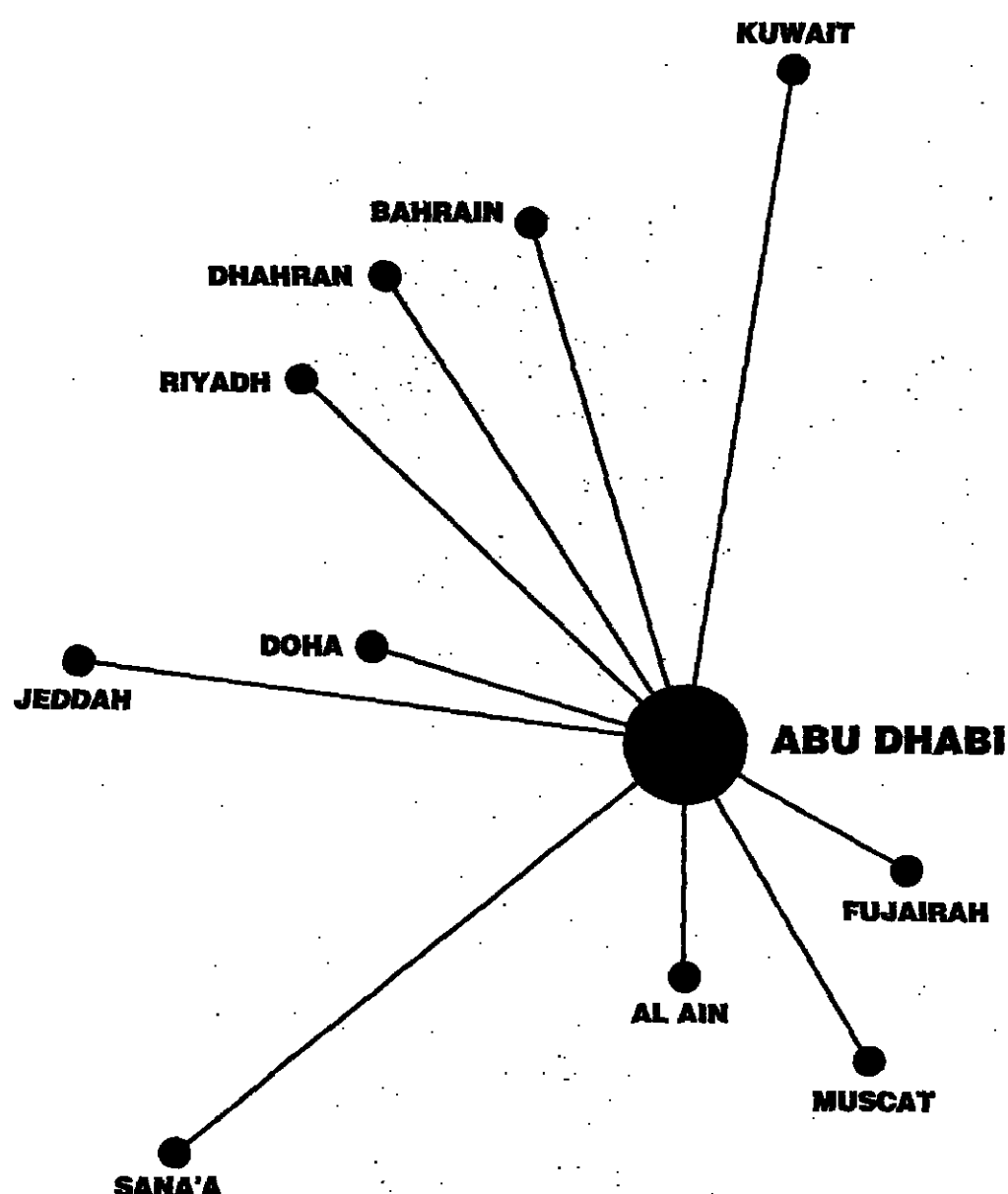
the first was between Martin Marietta and Ibn-Khaldun Establishment for an advanced medical diagnostic center, the first of its kind in the Gulf. A second project was agreed by a subsidiary of Litton Industries, which is to install integrated security systems at various sites. This project is said to be worth about \$100 million in offset credits, which will be set against any future defense sales by Litton Industries. A local company, Al Bawardi, is understood to be examining over 100 offset projects.

The most innovative scheme so far has been de-

veloped by Chase Manhattan Bank NA and the Offset Group. Elie Wakim, Chase's area director for the Middle East, explains that Chase will manage a special investment fund held by the United Arab Emirates Special Investments Ltd. It is hoped that the fund will have a capital of \$1 billion. This will be raised from offset obligations created by defense and other sales to the UAE and will count toward the 60 percent component of any contract. Other capital will be raised by local shareholders.

About 20 percent of the fund will be invested in the

UAE and the rest globally in various financial instruments and securities. "The financial investments will be so structured as to guarantee a minimum return after 10 years at 2.5 percent per annum, which will be equivalent to 25 percent overall," says Mr. Wakim. "Our aim is to substantially improve upon those figures." Chase is in the process of setting up a team to examine several projects, which it is hoped will meet the Offset Group's criteria. "So far, we have had a very positive reaction to our proposals," says Mr. Wakim.



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## NEW VISION FOR DUTY-FREE SHOPPING

The Abu Dhabi and Al Ain international airports offer high-quality duty-free shopping.

There is a new look to the duty-free shopping complex at Abu Dhabi International Airport, where a major facelift has just been completed. This year has also seen the launching of duty-free shops at the newly opened Al Ain International Airport, making Abu Dhabi the only emirate in the United Arab Emirates to have two airport duty-free shopping operations.

What makes Abu Dhabi an attractive place to shop is its spaciousness and the special displays of top brand-name items - watches, jewelry, electronics and perfumes. It is very easy for shoppers to find the particular item they are looking for - an important advantage for transit passengers or late arrivals who do not have much time to pick and choose.

Sales turnover at the main international airport is expected to reach 220 million dirhams (about \$60 million) this year, compared with 191 million dirhams in 1993. In 1985, when the present duty-free operation began, sales in the first year were only 20 million dirhams.

Mohamed Mounib, general manager of Abu Dhabi duty free, is also responsible for Al Ain. He says that since Al Ain opened earlier this year, sales there have been doing well. The Al Ain shops have a total area of

**Sales at main airport could reach \$60 million this year.**

450 square meters (4,800 square feet), about the size of the departure lounge at Abu Dhabi. Both duty-free outlets are managed by the same team from Abu Dhabi, which has computer links to Al Ain for stock control.

**Color-coded shopping**  
Different color schemes have been used at Al Ain to identify the eight categories of shops. These are divided into watches, gold jewelry, electronics and cameras, fashion and leather, food, books and toys, beverages and tobacco, and perfumes and cosmetics. Only top

brand-name items will be stocked at Al Ain.

Passenger traffic through Abu Dhabi airport increased by more than 27 percent, to 1.87 million, during the first semester of this year. During the same period in 1993, the total was 1.47 million. Sales during the first six months were more than \$28 million, an increase of 20 percent over the same period in 1993.

According to Mr. Mounib, average spending per passenger has risen by more than one dollar, to \$26.50. At the arrivals shop, average spending was \$2 a head.

More than 17 percent of all sales were gold jewelry. This was followed by beverages (13.1 percent), electronics and household appliances (11.8 percent) and perfumes (11.6 percent). Abu Dhabi was one of the first Gulf shops to sell diamonds, which account for 2.1 percent of sales.

Mr. Mounib says there has been a slight change in the kind of passenger traffic. "There has been a trend toward destinations, rather than transit traffic," he says. "We realized this in 1992

and decided we needed a different style of shop layout. Last year, we completed the first phase, and the second phase was finished in March this year."

**Easier to window shop**

The main idea has been to provide easier access for customers to look at the goods.

There is now an open-plan shop for ready-to-wear fashion. There is a totally new decor in the perfume shop, where six selected companies now have their own brand displays. Three new "island" shops - selling crystal and china, small leather items, and gold jewelry and diamonds - are a prominent feature.

Plans for next year, now awaiting the go-ahead, include six individual brand-name shops.

Mr. Mounib is optimistic about the prospects for Abu Dhabi's duty-free operations. "We want to put a complete new 'vision' into the duty-free business here," he says, "and I think that if we do this, we could probably increase our sales up to 300,000 dirhams a year."



The extensive choice of top-quality brand items and the spacious shopping area make Abu Dhabi an attractive place to shop.

## INTRODUCING A TALE OF TWIN AIRPORTS

During the past 25 years, Abu Dhabi has become one of the main aviation gateways to the Middle East.

With the opening of a new international airport at Al Ain, Abu Dhabi is the only emirate in the United Arab Emirates to have two airports. "We are now marketing the twin-airport concept for Abu Dhabi," says Sheikh Hamdan bin Mubarak al Nahyan, chairman of the Department of Civil Aviation, outlining some of his plans for the future development of aviation facilities.

The present international airport at Abu Dhabi handles just over 3.1 million passengers a year. A quarter of a century ago, there was just a desert landing strip on Abu Dhabi island. The present airport is about 45 minutes by car from the city; the drive takes travelers along a unique 35-kilometer (22-mile) tree-and shrub-lined expressway through the desert.

Mr. Hamdan, who was previously undersecretary for civil aviation, graduated from Al Ain University with a degree in business studies and marketing. He is now examining plans to double

the size of the Abu Dhabi airport to enable it to handle 6 million passengers annually by the year 2000.

"Everything today is changing very fast in the aviation world, faster than the airplanes themselves,"

loading and unloading passengers. One of the most recent innovations was the opening of the new Airport Hotel at Abu Dhabi International Airport; the hotel offers five-star luxury and business services.

Seen by Mr. Hamdan as a complementary airport to Abu Dhabi, Al Ain serves a wider catchment area inland. The airport is about 145 kilometers from Abu Dhabi. In addition to being the university city for the UAE, Al Ain is also the focus of agricultural development. It can be easily reached from Dubai, which is about one hour's drive to the northwest.

Talking about some of the advantages of Al Ain, Mr. Hamdan says that it could offer airlines more facilities because it was less busy. "In addition, the landing fees and other charges are cheaper," he says. "We really see Al Ain as an extension of Abu Dhabi. Both airports share the same management."

Servicing and repair facilities for airlines are also available at the Gulf Aircraft Maintenance Company (GAMCO), which is likely to be extended next year. "We shall probably build a second hangar," says Mr. Hamdan.

**Sheikh Hamdan:**  
**'We are now marketing the twin-airport concept for Abu Dhabi.'**



says Mr. Hamdan, adding that it was necessary to bring in many innovations to keep abreast of developments. "We are planning a second satellite terminal and a second runway," he says. There will also be more parking space for passenger jets as well as additional stands for

Ground-handling facilities are carried out by Abu Dhabi Airport Services. ADAS handles about 35,000 aircraft a year, 75,000 tons of passenger baggage, 12,000 tons of mail and 50,000 tons of cargo. It can deal with up to 22 aircraft simultaneously.

## ADNOC SUPPORTS THE ENVIRONMENT

A survey of the oil company's environmental measures.

Antipollution measures and protection of the environment in downstream operations have become key issues for the Abu Dhabi National Oil Company (ADNOC), which produces more than 2 million barrels a day of crude oil. ADNOC is also trying to improve the overall quality of its oil by reducing the sulfur content, and the company will eventually be able to produce unleaded gasoline.

Commenting in the latest annual report, Sohail Faris Al Mazrui, the former secretary general of the Supreme Petroleum Council and general manager of ADNOC, says that no new projects will be approved until environmental impact studies are completed. "We continue to take a lead in safeguarding Abu Dhabi's natural heritage and environmental quality," says Mr. Al Mazrui, who has been replaced by Youssef bin Omeir bin Youssef, the former petroleum minister.

Tighter controls on dumping wastes, including toxic and corrosive materials at the Ruwais refinery, have been introduced. Ruwais and the other major refinery at Umm Al Nar produced 215,000 barrels a day of refined products in 1993.

A state-of-the-art computerized control system has been installed at Umm Al Nar. "An important environmental spin-off from this development is virtual elimination of air pollution from flares at the refinery," says Mr. Al Mazrui. ADNOC now has a special environmental protection and occupational health department, which makes regular inspection checks on both installations and storage depots as well as on personnel.

With a major expansion of onshore and offshore gas reserves, which will treble production next year, ADNOC and its affiliate companies are trying to make sure that rapid progress in exploitation of hydrocarbon reserves will not become an environmental hazard.

## BANKING REPORT

The Union Bank will probably produce an annual report next March, the first since the BCCI debacle, when BCC (Emirates) was restructured and renamed Union Bank.

"On the whole we have had a good year," says General Manager Anwar Qayum Sher, "although in the first six months, letters of credit were a little low because of the 4 percent customs duty that was being imposed. There was a drop in car imports, but the trend began to be reversed in September, and there has been a steep rise in LCs since, which indicates that there is much more trade going on."

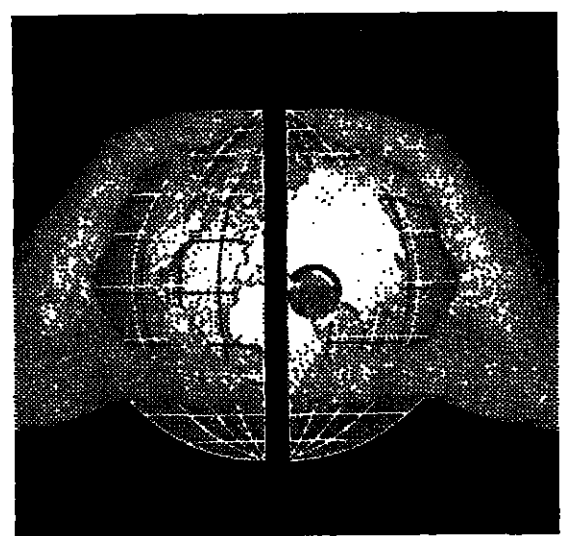
Emirates Industrial Bank has also had a good year in terms of financing projects, according to its deputy general manager, Muzafar Alhaj. "I think we will be in a better position by the end of the current year, compared with 1993," he says. EIB's main role is to finance industrial projects throughout the UAE. In 1993, it approved 18 loans worth a total of 145 million dirhams (\$45 million). Loans for manufacturing industries increased by 35 percent.



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## BUSINESS OPPORTUNITIES

The International Herald Tribune and the Abu Dhabi-based The National Investor are organizing a conference on "Business Opportunities in the UAE" at the Inter-Continental Hotel, Abu Dhabi on Dec. 5-6. The conference will examine offsets, privatization and capital markets.

"ABU DHABI"

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Writer: Michael Frenchman, based in London, writes often about Middle East issues.

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\*Source: National Geographic







## SPORTS

Greg LeMond  
Ending CareerBy Samuel Abi  
International Herald Tribune

PARIS — Greg LeMond has to say goodbye. At age 33, the three-time winner of the Tour de France and the greatest bicycle road racer ever produced in the United States has decided that he is no longer able to compete in the sport. He will make a formal announcement on Saturday in Beverly Hills, California, as part of the Korb Night of Champions, a fund-raiser for the U.S. Cycling Federation.

LeMond will be one of 14 male and female racers honored at a dinner afterward. Their records and medals will be displayed but none approaches LeMond's own lines in the record book: victories in the 1986, '89 and '90 Tours, victories in the 1983 and '89 professional world championship road races.

That list might have been longer but for the nearly fatal shooting in 1987 that lost him 2 of the 14 seasons he has been a professional. The glory years are long gone now and he has not finished first in a race since the 1992 Tour DuPont. He has not even ridden in one since he dropped out of last July's Tour de France.

"It's probably been expected," he said of his retirement. He has often reported — and displayed — weakness and exhaustion, especially in the mountains, but has been unable to specify the cause. Now he thinks he can.

"It's time for me to get out because of physical problems," he explained this week on the phone from his home in Minnesota. "It's not just age that's been responsible for my performances these last few years. It's not that I wasn't motivated or just did it for the money."

"I have a very big physical disability that does not allow me to compete at the world-class level. I have a physical condition that is not allowing me to race at the level I should."

The condition, he continued, is called mitochondrial myopathy. "I can't spell it," he said with a laugh. "but I can say it's basically dysfunctional mitochondria, which won't help me produce energy. My energy-delivery system has been off whack. It's a mild state that affects my performance at a high level but not my day-to-day living."

Parts of each cell, mitochondria produce energy through respiration. When they are impaired, muscles are impaired. "I hate to say it," he continued, "but it would mimic some sort of muscular disease."

According to the Merck Manual, a standard medical reference book, mitochondrial myopathies are among a group of progressive muscle disorders of unknown cause that are inherited through the mother. LeMond said he and his doctor believe, however, that the condition is caused by the 40 lead shotgun pellets left in him when he was accidentally shot while hunting in California on April 20, 1987. Three of the pellets rest in his heart lining.

"It's very possible it could be the lead," he said. "We're hoping to tie it to the lead because it would at least give me a clear answer for the future."

But Dr. Michelle Taube of the Minneapolis Sports Medicine Center, "who has worked the last three months researching me," is still not certain of the cause, LeMond said. "That's only the most likely theory."

"It seems to be caused by something when I'm racing really hard. We think it's an environmental problem, which means most likely I mobilize lead, which causes damage. The more I exercise, the more I mobilize it and the more damage the lead does, especially in midday races."

"And that's why for the last three years, after four or five stages of a race I'm at a point where I need to quit racing. It's been that way for three years now."

The major effect of his ailment, he said, has been on his ability to use oxygen during a race to restore his muscles.

Discussing the amount of oxygen he could use with each breath, he said, "I went from 6.2 liters of oxygen in February to 4.2 liters of oxygen during the Tour, even three weeks after the Tour."



Stefan Edberg faced match point in the last set but beat Alexander Volkov, 6-4, 6-2, 6-7 (2-7), 0-6, 8-6.

"It makes sense now. When I was in the Tour, I kept saying 'I can't take oxygen in.' That's exactly what was going on. When everybody else was riding along pretty slowly and easily for them, I was riding at my max."

LeMond is not through with medical tests, which he has been having mainly in Minneapolis, near his home in Medina.

"I want to get to the bottom, I want more finalized answers," he said. "This year has been the low point of my career. I have tried my hardest, mentally pushed myself beyond what I should, mentally and physically."

**Muscular disorder, possibly linked to an accidental 1987 shooting, forces American 3-time Tour de France winner out of road racing.**

I went through two very bad years, '92 and '93, and I was all motivated to make a charge through what would have been the last three years of my career.

"But all of a sudden the realization came to me in the Tour de France last summer that there must be something wrong — this can't be right — and that I had to reevaluate whether I could continue in this sport. If I could take away the problem, I thought I could still compete."

Can he? "No," he replied, a flat and forlorn "no."

"We know it's repeated itself for the last three years. I've got a medical condition. The doctor said, 'Greg, you can feel good and you might think you've recovered, but you won't have.' No, there won't be any comeback next spring. I wouldn't be myself, the Greg LeMond of '85 or '86, where I just always felt great."

"I struggled to come back after my hunting accident. I did win the Tour in '89, miraculously I think now."

"In the last seven years I've had four months that I

felt good and in those four months I won two Tours de France and the world championship. But in the rest of those years I've been just struggling.

"I couldn't figure it out. Every year I had different reasonings: allergies, overtraining, quarrels with my dad, this and that. There's nothing more frustrating for an athlete than to be talented and then suddenly to have that talent taken away from you."

"I never needed to race and be the last guy, getting pushed up hills. And that's who I was this year. This was a do-or-die season this year for me. I did everything I possibly could, prepared myself. Either I had to have a great season or I had to call it quits. Stop."

"The last thing I want to be considered is a rider who stayed on too long. Now I'm retired. I'll try to have fun."

His ways of having fun are many and varied, including spending more time with his wife and three children, fly fishing, downhill skiing, tennis and golf, mountain-bike racing and searching for antiques.

"That's what I've done this fall," he said. "I've been going to dealers for antiques, American antiques, 18th century, early 19th century. Federal period, Queen Anne period. I've been wanting to do that for years, and I've never had the time."

Through his bicycle sales company he will retain connections with the sport. He also talked about his passion for mountain-bike racing, saying he might organize a team and might even compete in a few races. Although he may also fulfill his great dream of making it to the 1996 Olympic Games in Atlanta, LeMond knows now that it will have to be as a television commentator, not as a racer in the time trial.

As of Saturday formally, but really as of July 8, when he got off his bicycle in the middle of a Tour stage, LeMond has not been a racer.

"I want to be somewhat involved in the sport, in certain capacities but I don't know what," he said. "I'll probably make it to the Tour next year, maybe as a television commentator, maybe as a guest. Otherwise I'll be fishing in Montana."

Larsson Beats Kafelnikov  
To Give Sweden 2-0 Lead

The Associated Press

MOSCOW — Stefan Edberg had to rally from match point in the final set and Magnus Larsson likewise prevailed in five sets Friday, giving Sweden a sweep of opening singles and a 2-0 lead over Russia in the Davis Cup final.

Edberg faced match point trailing by 5-4 in the fifth set, but rallied to beat Alexander Volkov, 6-4, 6-2, 6-7 (2-7), 0-6, 8-6. Larsson, ranked 19th by the ATP Tour, followed by overcoming a whistling, foot-stomping home crowd of 12,000, to beat No. 11-ranked Yevgeny Kafelnikov, 6-0, 6-2, 3-6, 2-6, 6-3 victory.

The opening-day setbacks severely hurt Russia's chances of becoming the first unseeded team to win the Davis Cup.

On Saturday, Kafelnikov and Andrei Olhovskiy must upset the top-ranked doubles team of Jonas Bjorkman and Jan Apell to keep their hopes alive and send the best-of-five match to Sunday's reverse singles.

Friday loss was Kafelnikov's first in eight Davis Cup matches. His only other loss was in his debut, to Germany's Michael Stich in March 1993.

Kafelnikov said he felt "mental and psychological pressure" after Volkov's dramatic defeat, and said he had injured his left wrist in the second game of the crucial last set. He had strained muscles in that wrist last week.

"It didn't really hurt but I felt very insecure. I couldn't hit slices," he said.

Volkov held match point on his serve when Edberg drove a backhand down the line to send it to deuce. He went on to break Volkov and then earned the critical break in the final game.

"Maybe he played it a little safe," Edberg said about facing match point. "I took charge of the match in that game. I took a few chances and it paid off."

After winning the first two sets, the seventh-ranked Edberg appeared enroute to an easy victory. But buoyed by the flag-waving, cheering crowd, Volkov battled back in the third set, then served a crowd-pleasing ace to take the tiebreaker.

The 27-year-old Volkov then dominated Edberg in the fourth set with devastating passing shots and seemed set to take the match, serving for the victory in the final set.

"I needed to kick myself, especially in the fifth set," Edberg said. "I was a little bit depressed. I had the match in my hand and became defensive... I felt I was getting closer and closer in every game in the fifth set."

Having broken Volkov to tie

the set, Edberg had the added distraction of Russian President Boris Yeltsin entering Olympic Stadium just as the Swede was preparing to start the next game.

Edberg, who had been whistled at in derision by the crowd, paced along the baseline as Yeltsin and his entourage took their seats.

"I saw a lot of people coming in, but I didn't know it was Yeltsin," Edberg said. "I just put it aside. I felt so happy being back in the match."

Considering the outcome, "maybe I should thank Boris for coming in," he added.

Volkov did not blame Yeltsin for his loss.

"I couldn't have failed to notice when the president arrived," he said. "I can say it interfered with my game as much as rain outside would have, because I had lost my serve by then."

The left-handed Volkov was repeatedly rattled in the first two sets, twice hitting his racket to the ground after failing to reach Edberg returns at the baseline. Edberg was troubled by inconsistent serves.

"I've been in the same situation. He's probably feeling quite depressed tonight," Edberg said about Volkov. "On the other hand, he was out of the match and came back."

Autissier's Yacht Hit  
By Gale and Demasted

Reuters

CAPE TOWN — The French sailor Isabelle Autissier, who established a record six-day lead in the first leg of the BOC single-handed "round-the-world" race, lost her mast in a roaring gale on Friday.

Autissier's 60-foot (18-meter) yacht, the Ecoreuil Poitou-Charentes 2, was demasted about 1,200 miles from Cape Town, race officials said. She was in fourth place seven days into the second leg of the race, from Cape Town to Sydney.

Autissier told the BOC headquarters in Charleston, South Carolina, where the race began in mid-September, that she was in no immediate danger. But race officials said the coast guard in South Africa had been notified and an aircraft placed on alert.

Autissier, the only woman in the world's toughest yacht race, said in a later message to France: "Thirty knots of wind, sea dark, sky crying. I'm working to clear off the deck and see what I can do."

"There is almost nothing left on deck, nothing left of my dream. But I won't think about that now. I am safe."

Race officials said Ecoreuil was the southernmost boat in the fleet and that Autissier was averaging more than 13 knots before her boat was demasted.

Autissier, who is competing in her second BOC challenge, had her boat demasted on the second leg of the 1990 race, but successfully fashioned a jury rig at sea and finished seventh.

U.S. Skier Lindh  
Wins Cup Downhill

The Associated Press

VAIL, Colorado — Hilary Lindh of the United States got her second World Cup victory on Friday by winning this season's first women's downhill race.

Lindh, 25, prevailed by 29-hundredths of a second over Isolde Kostner of Italy.

The defending World Cup downhill champion, Katja Seizinger of Germany, finished third. Austria's Stefanie Schuster overcame a late starting number to finish a career-best fourth, with Switzerland's Heidi Zurbriggen coming in fifth and Sweden's Pernilla Wiberg taking sixth.

Lindh, winning on a course that she admitted didn't fit her style because of the tight turns at the bottom, was timed in 1 minute, 45.00 seconds. Her best previous finish on this course was a sixth place two years ago.

Kostner, the last of the top-seeded skiers to complete the run, couldn't overtake Lindh,

crossing the line in 1:45.29. Seizinger was timed in 1:45.44.

Three other favorites — Anja Haas of Austria, Melanie Suchet of France and Picabo Street of the United States — fell and did not finish. Street made a minor mistake early in her run and, in an effort to make up time, got out of control near the finish, did the splits and crashed. Haas had the fastest intermediate time one-third of the way down the course when she fell.

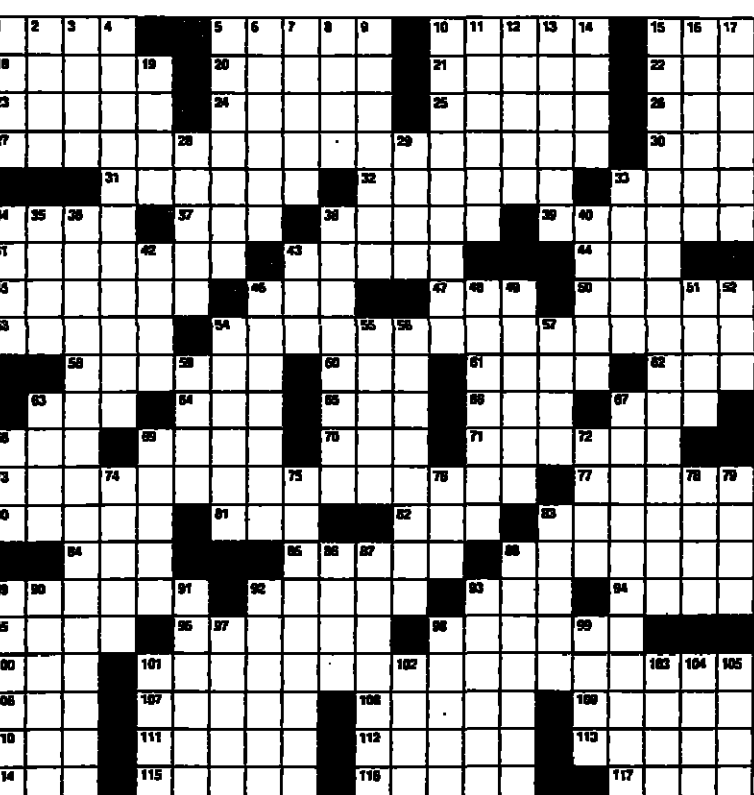
Lindh, the 1992 Olympic downhill silver medalist, posted her first victory on the World Cup circuit last February in Sierra Nevada, Spain.

For the first time, downhillers in the top seeding of 15 were allowed to select starting numbers from 1 through 30, and most of the favorites chose numbers in the 20s. The course appeared to speed up slightly during the race as a bright sun glazed the snow, making it slicker.

## FULL MARKS by Robert H. Wolfe

- ACROSS
- Supreme
  - Ohio political
  - Tote
  - Thus: Lat.
  - Historic island
  - Neighbor of Taurus
  - Sorbonne, par
  - Thoughtful
  - Baseball's Little Colonel
  - Kind of bar
  - Narrow furrow
  - W.W. II org.
  - too too solid
  - Paul Scott
  - Staffs anew
  - Mit tenor, 1941-66

- Allied victory site, 7/18/44
- Dotted, as a coat of arms
- Fool
- Constitutions
- torte
- Player for the angels?
- Three-time American League M.V.P.
- Old college, e.g.
- Syrian chief and namesake
- favor
- Sixth-century date
- "Fantasia" dancer
- Sleep: Prefix
- Had not been
- Food whose name means "lightning"
- Cabotage dept.
- Cries of surprise
- Inventory abbr.



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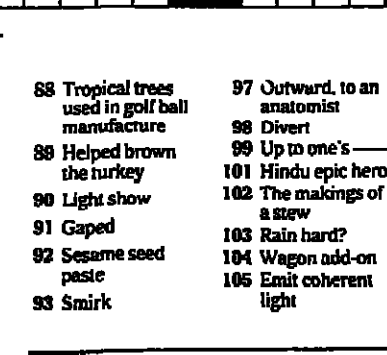
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- Formal orders
- Singer Basil
- Spy
- Outlaw
- Hunt and Peck
- Alternative to Corinthian
- Puts straight
- Hasoox
- Like some missiles
- Stick
- Key of Tchaikovsky's Symphony No. 7
- Boxer pitcher Aaron
- Roll up
- About
- Collectible money
- Former
- Potentate
- Good-tempered
- Wyer film of 1942
- Bankbook balancer's problem
- Part of a fore-and-aft
- Parliament
- chessers

- Christopher
- Column ending
- Overseas denial
- Part of overalls
- Some clinic workers: Abbr.
- Skater Babboia
- Half of sech
- It's often cast
- Comeback
- "Repeat the name, please"
- "That's — question"
- Make sense
- O'Hara's — North
- "Frederick"
- Sesame cards, for short
- Shrink
- West of Brooklyn
- Breaks, in a way
- Induce
- Nored
- Mischer best
- "You know what"
- Space prefix
- Ethel, to John Jr.
- Render
- Old-time actress Pringle
- Lanka
- 1968 Woodward film
- "Mazel —!"
- Hooper
- Gilmore
- Burst
- Rodeo rope
- Before
- Implied
- Discombobulated
- Like some
- Tiny tantrums
- Women's org.
- Abba
- Clientele
- Near-rapture

- Lines for
- Willard Scott
- Postulate of 1837
- Strokes
- Financial page abbr.
- Most sapient
- 1948 Doris Day hit
- Incubator babies
- Knocks over
- It follows a million
- Saudi king
- Mortgage
- holder's action
- United rival
- Film named
- African board game
- Oil can, maybe
- Fascinations
- Spots
- Soviet scientist
- Kurchev
- Gambing haven
- Actor Jon
- Skating pioneer
- Paik
- Creator of the character Bip



Solution to Puzzle of Nov. 26-27

## SIDELINES

## Contradiction, Thy Game Is Golf

MELBOURNE (AP) — Greg Norman said Friday that he still believed the World Golf Tour can reach an amicable agreement with the U.S. PGA Tour, and that he planned to meet next week with PGA Commissioner Tim Finchem.

The World Golf Tour also issued a statement, saying that it was "continuing to move ahead as planned" on staging six to eight tournaments in 1995, some of which would conflict with PGA Tour events, and that Norman's commitment to the new tour "is as firm as ever."

This all came a day after Finchem released a statement in which he said Norman had told him that he had had a "re-evaluation of this situation" and "would not support any venture that would damage the PGA Tour."

## For the Record

Nowredine Morcel, the Algerian distance runner, and U.S. heptathlete Jackie Joyner-Kersey were named athletes of the year by the International Athletic Foundation in Monte Carlo. (AP)

Joe Montana, the Kansas City quarterback, called "ridiculous" a report that he will retire at the end of the NFL season and said that he is not yet finished with football. (AP)

Nick Faldo, with eight birdies for a record-tying 64, held a seven-stroke lead over Nick Price and Bernhard Langer after two rounds of the Million Dollar Challenge golf tournament in South Africa. (AP)

Taffaret, Brazil's World Cup winning goalkeeper, said he will play for the Japanese club Ceres Osaka next season. (AFP)

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***Go, Raiders! Go!***

Inevitably the Chicago Bears score a touchdown, causing us Raider parents to groan. The Raider cheerleaders, however,

They think we're crazy.  
*Knight-Ridder Newspapers*

*International Herald Tribune*

MARY BLUME

In recent years she has perfected an original method of building her free-form vessels from layers of colored glass threads. Fine threads have been applied decoratively to glass for centuries and Zvinsky herself wound them



stainless steel restaurant bowl to be cooked again, then adjusted into a fused form. The result is about a quarter of an inch thick, with both the rough edge and the textured surface suggesting the original threads.

At the time McCarty called, Zynsky was just back from a long stay in Ghana with musician friends. "I came to Europe because I wanted something different from the U.S. and it is different, but only a notch. I wanted a really

In general, she says that glass is not her favorite thing to look at, preferring birds and the sea. "A lot of people who work in glass want to turn everything into glass. I'm not that way," she says.

Forecast for Sunday through Tuesday, as provided by Accu-Weather.

Middle East					Latin America					
	Today		Tomorrow			Today		Tomorrow		
	H	L	H	L		H	L	H	L	
Burke	14/17	10/10	pc	11/15	7/14	Buenos Aires	24/25	12/15	12/15	12/15
Cairo	12/30	6/43	c	11/52	7/14	Caracas	28/32	21/10	20/19	20/19
Damascus	6/43	3/32	c	8/46	0/23	Lima	25/31	18/64	20/37	18/64
Jerusalem	2/48	0/43	c	10/50	0/43	Medan City	21/10	7/41	22/71	8/41
Lebanon	14/37	3/27	pc	10/50	1/21	Rio de Janeiro	25/31	18/64	20/37	18/64
Riyadh	22/71	12/50	c	20/68	6/43	Santiago	22/71	14/4	25/77	9/4

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, th-thunderstorms, r-rain, sh-snow flurries

Denver	17/82	-1/31	s	9/38	-7/80	pc
Detroit	14/57	6/43	c	9/49	2/35	c
Honolulu	26/80	21/70	pc	27/80	21/70	pc
Houston	24/75	17/62	sh	24/75	14/57	c
Los Angeles	20/68	12/53	c	19/68	8/49	sh
Miami	28/82	23/73	pc	27/82	22/71	pc
Minneapolis	7/44	-3/27	pc	1/34	-7/28	pc
Montreal	4/39	-6/22	c	1/44	0/32	c
Nassau	27/80	22/71	sh	28/82	22/71	pc
New York	18/64	10/50	s	17/62	8/46	pc
Phoenix	17/57	11/62	pc	21/70	11/52	pc
San Francisco	19/57	10/50	sh	12/43	1/32	pc
Toronto	3/45	-3/27	pc	1/37	-3/27	pc
Washington	11/82	2/35	c	7/44	1/34	c
Washington	8/68	8/48	s	19/67	8/49	c

Roseanne and Tom Arnold's love nest is on sale now that their

**Gere and Crawford are**

He just wanted to be grounded in some

ake sure that I was  
er stuff."

ge in a role played on  
ghton? This intrig-  
-dancer and choreog-  
-ay next fall in "Busk-  
-based on the 1938

**Roseanne and Tom Arnold's floating**  
ovr nest is on sale now that their divorce is



□  
**Tommy Tune** on stage in a role played on screen by **Charles Laughton**? This intriguing role will bring the dancer and choreographer back to Broadway next fall in "Busker Alley," a musical based on the 1938

final. They ordered the 37-foot yacht, *My Rosey*, in 1993 and paid \$190,000. "They wanted something to escape and get away from the crowds," said Joe Wakeen, who

□  
**Tommy Tune** on stage in a role played on screen by **Charles Laughton**? This intriguing role will bring the dancer and choreographer back to Broadway next fall in "Busker Alley," a musical based on the 1938

ten calls.

[illegible][illegible]

time. Spend less time dialing. And more time talking.



صبرنا من الداهل